

The complaint

Miss E complains through a representative that FCE Bank Plc trading as Ford Credit (“Ford”) gave her finance without carrying out sufficient or adequate affordability checks.

What happened

In March 2021, Ford provided Miss E with a hire purchase agreement for a new vehicle through a credit intermediary. The cash price for the vehicle was £19,900 and Miss E paid a £269 deposit, meaning £19,721 was financed. If Miss E made all her payments as expected she would’ve repaid a total of £21,152.34 including the deposit.

Miss E was due to make one payment of £279.93, then 37 payments of £269.93 followed by a final option payment to own the vehicle of £10,616. A statement of account hasn’t been provided so I can’t say whether the agreement has finished but the scheduled end date has now passed.

Ford issued a final response letter directly to Miss E’s representative dated 21 December 2024. It gave reasons why it didn’t uphold the complaint. Although, it seems that this letter may not have been received by the representative.

An Investigator upheld the complaint because had better checks been made it would’ve likely seen that Miss E was only left with under £90 per month which in the Investigator’s assessment wasn’t sufficient to cover any unexpected costs.

Miss E agreed with the outcome but Ford didn’t agree. Ford’s comments didn’t change the Investigator’s mind about the outcome and as no agreement could be reached, the complaint was passed to me, for a decision.

I then issued a provisional decision explaining the reasons why I was intending to not uphold Miss E’s complaint. Both parties were asked for any further submissions to be made as soon as possible, but in any event, no later than 17 December 2025.

We didn’t hear from Miss E or her representative and Ford acknowledged receipt of the provisional decision.

A copy of the provisional findings follows this in smaller font and forms part of this final decision.

What I said in my provisional decision:

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I’m sorry to hear of Miss E’s health problems that have impacted her ability to provide information when this has been requested. I do hope things are improving for her. But, in order not to delay this complaint any further – I’ve issued this provisional decision with my reasons why based on what I’ve got to hand. I’m unable to conclude that further checks would’ve shown Ford the agreement was unaffordable.

We've explained how we handle complaints about irresponsible and unaffordable lending on our website. And I've used this approach to help me decide Miss E's complaint. Having carefully thought about everything I've been provided with, I'm intending to not uphold Miss E's complaint. I'd like to explain why in a little more detail.

Ford needed to make sure that it didn't lend irresponsibly. In practice, what this means is that Ford needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Miss E before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

It is disappointing that despite multiple attempts by the Investigator, Ford failed to engage and provide its file to the Financial Ombudsman Service – had it done so the Investigator's view may well have been different.

However, after the Investigator's assessment, Ford provided a copy of its final response letter and a high-level overview of the sort of checks it would've carried out. In effect Ford is saying it took a number of factors "...into consideration..." which may have included Miss E's occupation, time at the address, income and the deposit amount. It also said it would've relied on the results of data disclosed to it from the credit reference agencies. Ford says by doing all of this it has conducted a proportionate check. It says no concerns were raised with Miss E's application which is why it was granted.

But what Ford hasn't been able to provide are copies of the credit check results that it received nor what figures it used for Miss E's income or copies of any of the data that it may have received. I therefore can't fairly conclude that Ford carried out proportionate checks when I haven't been given the data it used to work out the agreement was affordable.

I've therefore decided Ford needed to carry out further checks before it lent. That doesn't on its own mean the complaint ought to be upheld. After all it's perfectly possible and plausible that had further checks been made it would've likely seen the agreement was affordable (or not) for Miss E.

I do think, Ford needed to do more than just rely on the income figure Miss E may have provided – it could've asked for copy payslips or used one of the standard industry wide tools to cross check what she may have told it was accurate. I've not been provided with payslips, but I do have access to an open banking report – rather than bank statements and I've taken a look at this to see what the summary of it shows about Miss E's income.

The summary provided by the open banking report shows that Miss E's income was around £1,400 per month from a salaried job and then the report shows that from March 2021 she received a further payment of around £900 per month from benefits.

So, from at least the time the finance was approved Miss E's income does appear to have increased and the report shows that additional money was being received into her account up to the point the report finishes in June 2021. So, unlike the Investigator I do think Miss E's income was greater than what was worked out for the purposes of the view.

Ford also ought to have asked for more details about Miss E's outgoings. It could've simply asked for more detail from Miss E about her other non-discretionary living costs, asked for evidence from Miss E about her bills, or any other documentation it felt it may have needed. Or, as I've done here reviewed the open banking report Miss E's representative has provided.

This didn't, and doesn't mean that, Ford had to undertake a full financial review of Miss E's circumstances – such as reviewing every transaction that maybe visible in Miss E's banking report. Merely it just needed to obtain an idea of what her living costs were and confirm her salary. And I want to be clear that a line-by-line review of Miss E's transactions wouldn't have been proportionate.

The open banking report summary shows that Miss E is in effect spending whatever money is received into the account each month. But I don't have a detailed breakdown of exactly what those payments were. So, I don't think that Miss E spending overall more than her income each month means the complaint automatically upholds.

I've therefore considered the summary the report has generated as to what Miss E was spending on certain payments – such as food or credit commitments. The summary shows for example in February 2021, says Miss E spent just under £800 on existing payments to loans and credit cards, £80 per month on food and £50 per month on utilities. The report shows that Miss E spent around £1,400 on what it says is "other" but without further detail of what is included in this 'other' I don't think I can fairly rely on it.

However, taking those above figures into account – bearing in mind the income that has been identified by the report, I've not seen enough to make me think that had Ford taken a closer look at Miss E's income and expenditure that it would've discovered the loan was unaffordable. I've also weighed this up against the fact Miss E approached the dealer, chose the car and I understand that she's made all her payments as expected.

It's also worth saying that Ford hasn't provided a copy of its credit report data it received, and Miss E hasn't – so far provided a copy of her credit file either, so I can't say how much debt Miss E may have had at the time or how she had been repaying it. And whether there were signs of difficulties such as missed payments or defaults. As such, I can't place much weight on what Miss E's wider finances are.

Based on the information and evidence that is currently available I am intending to not uphold Miss E's complaint because further checks would've likely shown Ford that Miss E could afford her repayments.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

No further comments or submission were made in response to the provisional decision. So, I've reached the same conclusions I reached before, for the same reasons and which can be found above.

Due to a lack of information from Ford, I concluded more checks were needed before it lent. But had better checks been made by Ford than it would've likely seen the agreement was affordable for Miss E. I therefore do not uphold Miss E's complaint.

Finally, I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Ford lent irresponsibly to Miss E or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons I've explained above and in the provisional decision, I'm not upholding Miss E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 6 February 2026.

Robert Walker
Ombudsman