

The complaint

Mrs B complains that STARTLINE MOTOR FINANCE LIMITED lent to her irresponsibly when they provided her with a hire purchase agreement for the purchase of a motor vehicle.

What happened

Mrs B applied for a hire purchase agreement with Startline to purchase a motor vehicle. Her application was approved, and the credit agreement was set in place in August 2020. She struggled with payments early on, and ultimately, her agreement was voluntarily terminated, leaving her with an outstanding balance owing.

In late 2024, Mrs B complained. In summary, she said Startline had irresponsibly lent to her and that sufficient checks – to ensure her affordability status – hadn't been undertaken.

Startline didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the credit had been provided. So, they were satisfied they had lent responsibly.

Mrs B disagreed; she still thought Startline were wrong to have lent to her, so she referred her complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, she didn't think Startline had done anything wrong. In short, the Investigator said:

- The checks carried out by Startline were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given Startline any cause for concern. And there was nothing that would have suggested to Startline that Mrs B was struggling financially, and/or wouldn't be able to afford the repayments towards the agreement.
- Any financial struggles, which did materialise for Mrs B later, wouldn't have been apparent to Startline at the time they provided Mrs B with the credit.

Overall, with that in mind, Startline hadn't acted unfairly or unreasonably in providing Mrs B with the finance.

Mrs B disagreed; she maintained she'd been irresponsibly lent to and said that Startline had failed to carry out proportionate checks. She also told our service that she had more recently been made homeless, and that she has been struggling with her mental health.

So, as no agreement has been reached by the parties, Mrs B's complaint has now been passed to me to decide.

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.

Having done so, while this will no doubt disappoint Mrs B, I agree with the findings of our Investigator and for broadly the same reasons. I'll explain why.

I'd like to say firstly however, that I am truly sorry to hear of the difficulties that Mrs B is experiencing. I've included details below of some organisations that Mrs B may wish to reach out to, who may be able to provide her with some level of support during this difficult time.

The rules and regulations in place at the time Mrs B was provided with the credit, required Startline to carry out a reasonable and proportionate assessment. That's to determine whether she could afford to repay what she owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Mrs B. So, Startline had to think about whether repaying the credit sustainably would cause her difficulties, or other adverse consequences. In other words, Startline had to consider the impact of any repayments on Mrs B.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Startline did what they needed to before agreeing to lend to Mrs B.

Here, before agreeing to lend, Startline checked data recorded with Credit Reference Agencies ("CRAs"); and it relied upon information provided by Mrs B in her application. I've been provided the results of Startline's checks and, in my view, the data they gathered didn't suggest that there was any real cause for concern.

Rather, information obtained from CRAs didn't show any recent defaults or County Court Judgments ("CCJs"), nor was Mrs B subject to an Individual Voluntary Arrangement ("IVA"). Startline's checks showed that Mrs B had just three items of active credit, which the monthly payments towards totalled less than £100 per calendar month. And, while they also showed that Mrs B had missed one payment towards one item of credit, this was around 11 months prior to taking out this finance, and that account was back up to date the following month with no signs of payment difficulties since. There was also one default registered against Mrs B's credit file, but this wasn't recent, and was recorded in October 2017, around three years prior to this agreement being taken out.

Startline recorded Mrs B's monthly income based on her own declaration, at £1,315 a month. They then verified this using current account turnover data (CATO). From the credit check they ran, they determined that Mrs B's monthly commitments towards existing credit equated to around £65 a month. And when deducting this, along with the proposed repayment towards the hire purchase agreement of £297 a month, it showed Mrs B to have around £950 remaining towards her general living costs, including housing and utilities, as well as discretionary spending. I've also noted from the application, that Mrs B declared monthly rent payments for her property at around £250.

Having looked at the above figures, and the data Startline relied upon, it seems, that when deducting all of Mrs B's outstanding credit commitments, along with her living costs from the income they verified - and the contractual repayment due towards the hire purchase agreement - Mrs B would have still had adequate disposable income after these deductions to allow for any fluctuations in spending or emergencies if needed. So, on the face of things, I'm satisfied it was reasonable for Startline to conclude this lending was affordable for Mrs B.

Mrs B has argued that her outgoings were higher than Startline had concluded at the time of the lending, and I accept this may have been the case. But Startline are only expected to carry out 'proportionate checks', and in the circumstances, I'm satisfied that's what they did. So while I accept that a full financial review – which might have included reviewing evidence such as bank statements, and a full verification of incoming and outgoings – may have uncovered that Mrs B's circumstances weren't as positive as Startline had concluded; in the circumstances, and given the level of borrowing in question, I don't think it would have been proportionate to expect Startline's checks to have gone that far, based on the initial evidence they had seen.

So, based on the information Startline obtained, and given the amount, and purpose of the borrowing, as well as being satisfied that Startline carried out proportionate checks, I'm also satisfied that it was reasonable for them, based on the results of those checks, to conclude that the finance in question would have been affordable for Mrs B. And I've seen nothing to suggest to Startline that Mrs B wasn't in a position to be able to repay it sustainably.

So, while I am sorry to disappoint Mrs B; I know this won't be the outcome that she's hoping for, it's for the reasons I've explained that I don't think Startline acted unfairly or unreasonably when they provided her with this agreement. Therefore, I won't be asking them to do anything further in relation to their initial lending decision.

Whilst I'm not upholding the complaint, I do want to remind Startline of their obligations to exercise forbearance moving forward. I would certainly encourage Mrs B to keep in regular contact with Startline about the difficulties she's now facing in maintaining any outstanding repayments that may be owed, or any other support she may require moving forward.

I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Startline lent irresponsibly to Mrs B or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that S140A would, given the facts of this complaint, lead to a different outcome here.

Finally, Mrs B has also mentioned to our service that she has been struggling with her mental health and has more recently been made homeless. I'm very sorry to hear of this, and I can't imagine how difficult a time this must be for her. I've included below, details of some organisations that might be able to provide Mrs B with some assistance during this difficult period.

- Citizens Advice - <http://www.citizensadvice.org.uk/> - 0800 144 8848
- Shelter - <http://www.shelter.org.uk/> - 0344 515 2000
- Mind - <http://www.mind.org.uk/> - 0300 123 3393

My final decision

My final decision is that I do not uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 11 February 2026.

Brad McIlquham
Ombudsman