

The complaint

Mr C complains about the quality of a used car he acquired through a hire purchase agreement with Oodle Financial Services Limited ('Oodle'). Mr C says that the car he acquired wasn't of satisfactory quality as it had been in an accident previously, which wasn't disclosed to him. The car had been repaired, but the repairs weren't of a good quality.

What happened

Mr C's complaint is about the quality of a car he acquired in October 2024. The car was used, and it was first registered in June 2015. So, it was nine years old when Mr C received it. It had covered 79,945 miles.

Mr C acquired the car using a hire purchase agreement that was started in October 2024. The vehicle had a retail price of £11,595. Mr C paid a £3,000 deposit meaning £8,595 was financed. This agreement was to be repaid through 60 monthly instalments, the first and last instalments were for £285.72 with 58 instalments of £235.72 in between. If Mr C made repayments in line with the credit agreement, he would need to repay a total of £17,243.20.

Mr C sold the car in September 2025 and settled the finance on 29 September 2025.

Oodle considered this complaint and it didn't uphold it. It said that while the evidenced did indicate that the car wasn't of satisfactory quality at the time of sale, it thought the car should be repaired rather than Mr C having the opportunity to reject it. Mr C didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator upheld Mr C's complaint. He said that he was satisfied that the car had been in a collision and that Mr C wasn't made aware of this. And the repairs that had been made following the collision were of a poor standard. He thought that Mr C should receive compensation based on a refund of some of the amounts he had paid.

Oodle didn't agree with the Investigator. It said:

- If Mr C had contacted Oodle when he stopped using the car it would have allowed the dealer one repair. Mr C didn't do this.
- As he chose to settle the agreement early he is benefitting from a refund in repayments. The payments are included in the early settlement figure.
- A car being involved in a collision before the sale is not grounds for rejection. There are no markers to indicate the car was written off, and so the vehicle was not mis-sold.

There was some further correspondence, but no new issues were raised. Because Oodle didn't agree, this matter has been passed to me to make a final decision.

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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it to reach what I think is the right outcome.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Oodle as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would need to meet the standard that a reasonable person would consider satisfactory – considering any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the car's history. The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of this.

All the parties to the complaint are aware of what has happened with the car, so I'm not going to cover all the detail about this in the decision.

But briefly, Mr C started to experience problems with the car in February 2025, and it was looked at by a manufacturers garage in July 2025. This garage said that the car was likely to have been involved in an accident at an earlier time and had been repaired to a poor standard. Mr C stopped using the car at this time.

An independent report has also confirmed that the car has likely been in an accident and it noted that the repairs that have been made are of poor quality and inconsistent. The report concluded that these problems were likely present or developing at the time of sale.

There isn't any disagreement about this, and I note that Oodle in its complaint response supported repairing the car due to it not being of satisfactory quality. So, it's accepted that the car was not of satisfactory quality at the time of sale and why this was. The remaining issue is how Mr C should be compensated for this.

The crux of Oodles disagreement is that it thinks it, and or the dealership, should have been given an opportunity to repair the car. As a starting point this isn't possible now as the car has been sold. So, it's not clear to me what Oodle thinks should be done differently and it's not said how the compensation should be changed due to this.

I can see that Mr C didn't agree to have the car repaired. But I also can see from the correspondence that the dealership didn't seem to really agree that the car should be repaired either and it had only offered to make cosmetic repairs. The evidence I've seen shows this car needed significant work.

Oodle has said that it was liaising with the dealership about this, but it is responsible for the quality of the car, and it needed to if it wanted to have the car repaired, ensure that this was done to a reasonable standard. Mr C had informed Oodle of the problems with the car and it had some months to arrange a repair before he sold it. So, I don't think it's unreasonable to say that Oodle had an opportunity to arrange repairs to the car but didn't properly act on this, and the time to do this has now passed.

I also agree that the car was mis-sold. This is because it was in an accident and the repair was substandard. And none of this was disclosed to Mr C. I can see why he lost confidence in the car and there is a realistic chance that it would have had serious and continuing problems.

I think a rejection of the car is an appropriate remedy where this is the case. This is still a remedy available under the CRA, even if other remedies are also available. The Financial Ombudsman does consider complaints on a fair and reasonable basis, and whilst I must take into consideration legislation such as the CRA, I must also do what I think is right in this case.

Mr C did have use of the car so I think it's fair he should pay something to reflect that use. Because I think the car was mis-sold and not of satisfactory quality I think Oodle should refund all monthly repayments made by Mr C. However, I think it's reasonable for Oodle to retain one monthly repayment for every 1,000 miles Mr C travelled in the car.

Mr C was inconvenienced by not being able to use the car. And this was also at a difficult time for him personally. So, I think the £200 suggested by our Investigator for the distress and inconvenience he experienced is fair.

Mr C did pay for some repairs to the car, but I think, as these do not seem to be connected to the problems related to the probable accident, then, I agree these shouldn't be refunded to him.

Oodle has agreed to refund the cost of the independent report that Mr C paid for, I understand it has already done this, I've included this in the redress below for completeness.

Putting things right

Oodle now needs to calculate and pay the compensation below. If it has already implemented or paid any of this, it doesn't need to do this again.

- Refund all monthly repayments made to the date of settlement whilst retaining one monthly repayment for every 1,000 miles travelled by Mr C.
- Refund £360 for the cost of the independent inspection (if not already done so)
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- Pay £200 for any distress or inconvenience that's been caused due to the faulty goods.
- Remove any adverse information from the customer's credit file in relation to the agreement.

My final decision

For the reasons I've explained, I uphold Mr C's complaint. Oodle Financial Services Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 May 2026.

Andy Burlinson
Ombudsman