

The complaint

Advantage Finance Ltd ('Advantage') provided Mr M with a hire purchase agreement for a used car. He says the finance was provided irresponsibly and he couldn't afford to repay it sustainably.

What happened

In August 2024, Mr M was accepted for a hire purchase agreement from Advantage. The amount of credit was £13,790. Mr M was required to make 59 monthly payments of £390.39 followed by a final payment of £590.39. The total amount repayable was £23,623.40.

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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Mr M's case.

Having considered everything, I'm not upholding Mr M's complaint. I'll explain my reasoning below:

I've decided the credit was provided fairly because:

- I don't think the checks Advantage did before agreeing to lend to Mr M were reasonable and proportionate. I say that given that there were some issues in his recent credit history which I think ought to have prompted Advantage to carry out better credit checks, alongside the income verification and affordability checks it did. I've kept in mind that customers of Advantage often have issues in their credit history. That doesn't necessarily mean they should be turned down, but given the particular issues in this case, I think better checks were needed.
- If Advantage had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the agreement though. That's because, based on the information Mr M provided about his financial circumstances at the time, including the bank statements he sent us, I don't think there's enough to show or suggest that Mr M was likely to have been unable to sustainably repay what he was being lent. He looked to have sufficient disposable income, after paying his credit and household commitments, to be able to afford the new agreement. And I agree with our investigator that the evidence of using some high-cost credit didn't necessarily suggest he was getting into financial difficulty.
- I therefore think better checks by Advantage were still likely to have shown the new agreement to be affordable. I say that having noted there was a level of spending on non-essential items, occasional gambling transactions and payments being made to other people.

- I don't think Advantage acted unfairly in any other way. I also think it offered the level of help and support I'd have expected when Mr M got into difficulties with meeting the repayments.
- I also think the APR rate he'd be paying was set out clearly enough for him to make an informed decision about taking on the finance before he was approved for it.

I've thought carefully about what Mr M said in response to our investigator's view. I know Mr M feels that Advantage ought to have done more to be fully aware of his personal and financial circumstances as well as the likely car running costs. I appreciate that his financial position worsened soon after being approved for the finance. But this was after the lending decision had already been taken. And it wouldn't be fair and reasonable for me to use hindsight here, or to say that Advantage ought to have known this would happen, given that I don't think there's enough evidence and information to suggest he wouldn't be able to repay the agreement on a sustainable basis.

I'm sorry to hear of the difficult personal and financial circumstances Mr M has been going through, and I do hope things are now improving for him.

To summarise, I don't think Advantage acted unfairly when it provided the finance to Mr M.

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 Advantage lent irresponsibly to Mr M or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this won't be the outcome Mr M hoped for. But for the reasons above, I'm not asking Advantage to do anything more to put things right.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 March 2026.

Michael Goldberg

Ombudsman