

The complaint

Mr A complains that Blue Motor Finance Ltd trading as Blue Motor Finance (BMF) lent to him irresponsibly.

What happened

Mr A applied for a Hire Purchase agreement (HP) with BMF. He tells us *“prior to this I had been in a car accident that had written off my car and had no car and so I was in a desperate situation”*. The HP was agreed by BMF on the following terms:

Date	Amount of credit	Term	Monthly repayment	Total payable
6 February 2024	£6,698	48 months	£203.70	£9,778.60

On 6 June 2025, Mr A complained to BMF. He said he didn't think it had carried out appropriate checks before agreeing to lend to him. If checks had been done, BMF would have seen he had taken out £8,000 in loans in the last four months and was using most of his available £3,000 credit on credit cards and was on a fixed term contract. He said BMF ought to have refused to lend to him.

BMF looked into Mr A's complaint and issued a final response letter. It said he had told it he was employed full time on £51,840 per year and had signed to say he was *“not aware of any upcoming changes in [his] circumstances which would affect [his] ability to pay”*. BMF checked his credit file and was content with what it saw. It said it had checked his income and employment status and compared his outgoings to that. It was satisfied the lending was affordable for Mr A and didn't uphold the complaint.

Mr A didn't accept BMF's response, so he referred his complaint to our service. One of our investigators looked into it. He felt the checks carried out by BMF had been reasonable and proportionate. He said it was aware of his existing credit from its checks on his credit file, but that the HP still appeared to be affordable. He said he thought BMF had reached a fair decision to agree the HP.

Mr A didn't agree with our investigator so, as there was no agreement, the complaint has 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.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

BMF needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Mr A irresponsibly. I think there are key questions I need to consider in order to decide what

is fair and reasonable in the circumstances of this complaint:

- Did BMF carry out reasonable and proportionate checks to satisfy itself that Mr A was in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did BMF make a fair lending decision?
- Did BMF act unfairly or unreasonably towards Mr A in some other way?

BMF had to carry out reasonable and proportionate checks to satisfy itself that Mr A would be able to repay the HP sustainably. It's not about it assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on him. There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the agreement, the amount of the repayments and the overall circumstances of the borrower.

In his application for the HP, Mr A said he earned £51,890 which equates to around £3,300 per month. BMF identified the loans on his credit file which showed repayments as £421 per month. The data BMF obtained also showed he had credit card balances totalling £2,205 against available limits of £3,750. Minimum repayments to the credit cards would have come to around £120 per month. All these facilities were up to date.

So taking into account his credit commitments totalling £540 per month, Mr A would be left with £2,750 from which to fund this agreement (£203.70) and his other housing and living costs. I've seen nothing which makes me think BMF needed to conduct further checks on Mr A's application. I think the information it was given and what it found for itself was reasonable and proportionate in the circumstances, and I think it reached a fair decision to lend.

Did BMF act unfairly or unreasonably towards Mr A in some other way?

I've carefully read and considered all the evidence each party to the complaint has provided. I can see that Mr A asked for payment dates to be amended a few times at the beginning of the agreement which BMF accommodated.

Despite this, Mr A quickly fell into difficulties with the account. When BMF spoke to Mr A, he explained this was because his work contract had come to an end. He said he had a new, permanent role but he had missed the payroll cut off date for May 2024, so would be paid extra in the June. He paid £407.40 on 3 June 2024, bringing the account back up to date.

When he missed a payment again in August 2024, he told BMF he'd got married, his income had reduced as he was studying while working, but that his wife would soon be starting a job. He was considering his options. The same reasons were given for the arrears which continued to build over the next few months. From December 2024, Mr A entered into a payment arrangement with BMF to pay £30 extra each month – a total of £233.70 to reduce arrears.

Looking at what's happened, I think BMF has done what I would have expected it to do. It has worked with Mr A while his circumstances were changing and, ultimately, agreed a payment plan with him to reduce the arrears which built up from August 2024. I've not seen anything which leads me to think BMF treated Mr A unfairly.

Mr A has told us that he has had a similar complaint upheld regarding a loan he took out a couple of months before this agreement. Each complaint is assessed on its own merit and can be finely balanced. It is not for me to comment in detail on a different complaint. I do

note though that The circumstances of the previous one are different from this including the cost of credit, the repayments required and the purpose of it.

Mr A has told us himself that his car had been written off and he was in “a *desperate situation*”. The information he gave BMF indicated he could afford the vehicle he wished to purchase. If Mr A had told BMF that his job contract was about to end, it may have reached a different lending decision or asked for further details about his new role if that had been agreed by then.

For the reasons I’ve already given, I don’t think BMF lent irresponsibly to Mr A or otherwise treated him unfairly in relation to this matter. I haven’t seen anything to suggest that Section 140A of the Consumer Credit Act 1974 would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 11 March 2026.

Richard Hale
Ombudsman