

The complaint

Miss M complains that Startline Motor Finance Limited provided her with an unaffordable hire purchase agreement.

What happened

Startline provided Miss M with a credit agreement to finance the full purchase price of a car of around £21,000 in June 2024. The agreement was repayable across a term of 60 months with 59 instalments of around £545 and one final instalment of around £555. The total repayable value, including interest and fees, was around £32,780.

In July 2025 Miss M complained to Startline saying that it had irresponsibly provided her with this hire purchase agreement. She said Startline didn't complete proportionate checks, and didn't take into account within its affordability calculations that she had a dependent. Miss M says had Startline reviewed her bank statements it would have seen that this agreement wasn't affordable for her. Startline issued a final response in August 2025 in which it didn't uphold the complaint. Unhappy with its response Miss M referred her complaint to our service for review.

One of our investigators considered the details and didn't uphold the complaint. She concluded that Startline had completed proportionate checks and gone on to make a fair lending decision.

Startline didn't respond to our investigator's view; Miss M responded and disagreed. In summary she maintained her arguments that better checks, taking into account her actual financial circumstances rather than using tools and statistical data, would have led to Startline understanding her actual financial situation and concluding that this credit agreement wouldn't be affordable for her.

Miss M asked for an ombudsman's review, so 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.

The information in this case is well known to Miss M and Startline, so I don't intend to repeat it in detail here. Instead, I've focused my decision on what I consider to be the key points of this complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me. I don't mean to be discourteous to Miss M or Startline by taking this approach, but this simply reflects the informal nature of our service.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've used this approach to help me decide Miss M's complaint.

Having done so, I consider Startline made a fair lending decision when providing Miss M with this credit agreement. I say this because:

- I consider the checks Startline completed were reasonable and proportionate when taking into account the terms of credit being provided and the information it obtained about Miss M's financial circumstances.
- Startline took Miss M's declarations and validated her income by way of an online credit tool check, and her non-discretionary expenditure by way of industry recognised statistical data. The application Startline received showed Miss M as living with parents and having one dependent, so its checks were based on this information.
- Startline also completed a credit check to understand Miss M's active and recent management of credit. There was some adverse information reported – no insolvency markers or CCJs, but Miss M had previously defaulted on a number of accounts. However, the latest default reported was around three years prior to this lending application, and Miss M had made significant repayments to the total defaulted debt across this time.
- I don't consider it unreasonable that Startline considered this adverse information as historic and not representative of Miss M's up to date financial position, especially given for at least around a year she'd been managing her active credit well. The credit report showed Miss M had around £1,500 of active debt, across revolving and non-revolving accounts. Miss M's revolving credit was being utilised at around 65%.
- I don't consider there was any recent information reported on the credit check, or any information within the income and expenditure checks it completed, that ought reasonably to have caused Startline concern or suggested that more detailed checks were required.
- Startline's affordability calculation took into account the income it had verified, the statistical data factoring in reasonable living costs which it had validated, repayments to Miss M's existing credit commitments, together with a reasonable value included for repayment of the outstanding defaulted balances, the monthly repayment to this new line of credit and a reasonable buffer for discretionary expenditure. I consider this calculation left Miss M with a reasonable level of disposable income for costs associated with owning a car, other discretionary expenditure, and any unexpected costs that may occur on a month by month basis.
- Having therefore considered Startline's affordability calculations based on the data it obtained through proportionate checks, I'm satisfied its conclusion that repayment of this agreement would be affordable for Miss M was reasonable.

So, for the reasons set out above I don't consider Startline made an unfair lending decision when providing Miss M with this loan.

I've also considered whether Startline acted unfairly or unreasonably in any other way; including whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974.

I've seen that Miss M wasn't able to maintain payments in line with her contractual obligations early into the relationship. The contact notes I've seen show there were some

problems with the car, and that paying for unexpected repairs were impacting her ability to repay the agreement. I've also seen on two separate occasions within a relatively short space of time, that Miss M informed Startline that she was out of employment, which clearly had an impact on her finances and ability to maintain her contractual payments.

While I'm sorry to hear of the problems Miss M experienced with the car and the change in her personal circumstances, I can't reasonably conclude these events could have been foreseeable before Startline provided this agreement. It appears these changes in circumstances were more likely the reason, or at least a significant contributing factor, to the financial difficulties she experienced and the problems she had in making contractual payments to this agreement.

I've seen Startline has engaged with Miss M about options to settle the agreement. I don't have up to date details about the status of the agreement, but if it is still active and Miss M is unable to maintain her contractual payments, I'd encourage her to engage with Startline to further explore what forbearance or settlement options it may be able to provide.

So, for the reasons I've set out above I don't think Startline lent irresponsibly to Miss M, or has otherwise treated her unfairly. I therefore 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 acknowledge my decision will be disappointing to Miss M; in no way is it intended to doubt the personal and financial circumstances she's made us aware of, which I am sorry to hear of. But for the reasons I've set out above I'm not directing Startline to take any further action in resolution of this complaint.

My final decision

My final decision is that I don't uphold Miss M's complaint about Startline Motor Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 10 April 2026.

Richard Turner
Ombudsman