DRN-6188917

The complaint

Mr A complains that Oodle Financial Services Limited (Oodle) refused to let him reject a faulty car.

What happened

In April 2025 Mr A acquired a second hand car at a cost of £12,975 funded by a hire purchase agreement with Oodle. It was over seven years old and had covered some 75,000 miles.

In less than eight days an engine management light came on and Mr A contacted the dealer. He was told there was a RAC warranty in place and to contact them. The car was taken a RAC approved garage which identified the problem as a faulty diesel particulate filter (DPF). It also identified a number of other issues and later estimated it would cost £4,870 to repair. I gather the garage told Mr A that the car shouldn't have been sold to him in its state. It also explained that the warranty only covered an issue with the tailgate.

Mr A said he wanted to reject the car and after discussions between Oodle and the dealer it was taken back. However, the dealer said it would not accept the car back due to excessive mileage and damage to the car. An independent inspection was commissioned and the inspector concluded that faults were due to wear and tear and hadn't been present at the point of sale. Oodle rejected Mr A's request and his complaint.

Mr A brought a complaint to this service where it was considered by one of our investigators who recommend it be upheld. She concluded the car had faults and given they appeared so soon after the point of sale they must have been present then. Oodle didn't agree and provided a timeline of events, however when this was put to Mr A he was able to supply evidence which contradicted some of the claims made by Oodle. He showed he had been in touch with the dealer within seven days and had pursued rejection. He also believed the independent report had been flawed. Mr A added that following the pushback from the dealer and Oodle he had had to spend £180 on a tow truck to get the car back and £750 to enable the car to pass its MOT.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr A that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Having reviewed all the evidence I consider this complaint should be upheld. I will explain why.

Under Section 56 of the Consumer Credit Act, finance providers can be held liable for what the credit broker and seller say about the goods (vehicle) before the regulated credit agreement is entered into by the consumer and before the purchase is made.

This refers to 'antecedent negotiations'. This means if Mr A entered a credit agreement for a vehicle and it turns out something he was told about the agreement by the credit broker, which induced him into entering the contract, was false, the broker can be held responsible for the actions of the broker under certain circumstances.

The Consumer Rights Act 2015 is relevant to this complaint. This says that goods must be of satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would regard as acceptable, taking into account things such as the age and mileage of the car and the price paid. The legislation says that the quality of the goods includes their general state and condition, and other things like fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

The car supplied to Mr A was second hand, so I'd expect it to have a degree of wear and tear and to require more repairs and maintenance than, say, a brand new car. So, in order to uphold this complaint, I would need to be persuaded that there was an inherent fault with the car at the point of supply, as opposed to a fault which occurred due to general wear and tear.

It is not disputed that the car had faults and that they arose within a few days of the point of sale. I am also satisfied that Mr A's version of events is the most accurate one and that he did make both the dealer and Oodle aware of the faults and his desire to reject the car.

The dealer appears to have pushed back on rejection because Mr A had covered a high mileage and there was damage to the car. Mr A had covered a significant number of miles and there was nothing in his agreement which prevented him from doing so. It was not disputed the car was faulty if drivable and so it would have been better had the dealer dealt with the problem rather than passing it off to the warranty company.

As for the apparent damage to a wheel, that could have been addressed in the rejection and any compensation dealt with accordingly. I do not consider either issue were grounds for rejection being refused. I also note that the MOT in June 2025 which the car failed there is reference to damage to the wheel in addition to the long list of faults which Mr A had to address. I do not consider the mileage nor the damage to be barriers to rejection.

The next matter is the two conflicting views of the cause of the faults. The garage Mr A was, in effect, directed to by the dealer via the warranty company identified a number of significant faults. The one commissioned by Oodle took place some months later and identified the various faults the other garage had recorded. However, the inspector concluded they all would have occurred in the short time Mr A had the car and in the miles he covered.

At the time of the independent report, he had driven the car for some 6,500 miles which is a significant mileage in the few months he had the car. However, the car had major faults and these had been identified shortly after the point of sale and so, on balance I think it likely they were present at the point of sale. I am usually loathe to go against an independent inspector's report, but in this case I believe there is significant evidence to do so. Overall, the fact the faults occurred very soon after the point of sale and Mr A sought to reject the car leads me to the conclusion that he should be allowed to reject it. I appreciate Mr A has

incurred some additional costs, but given the damage and the high mileage I do not think these need to be refunded.

Putting things right

I consider Oodle should:

- end the finance agreement ensuring Mr A is not liable for monthly rentals after the point of collection (it should refund them any overpayment for these if applicable);
- take the car back (if that has not been done already) without charging for collection;
- refund all rental payments for the period from 11 June 2025 to the date of settlement as Mr A reasonably stopped using the car at this point;
- refund £102 for the diagnostic cost and the £120 cost of the tow truck he incurred upon evidence of this being provided;
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- pay a further amount of £150 for any distress or inconvenience that's been caused due to the faulty goods;
- remove any adverse information from Mr A's credit file in relation to the agreement.

My final decision

My final decision is that I uphold this complaint and I direct Oodle Financial Services Limited to make redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 31 March 2026.

Ivor Graham
Ombudsman