

The complaint

Mr L is unhappy that a vehicle supplied to him under a hire purchase agreement with Oodle Financial Services Limited t/a Oodle Car Finance (Oodle) was mis sold.

When I refer to what Mr L has said and what Oodle have said, it should also be taken to include things said on their behalf.

What happened

On 26 September 2024 Mr L was supplied a vehicle under a hire purchase agreement with Oodle. The vehicle was first registered in 2015 and had travelled 67,911 miles at the time of supply. Mr L was due to pay one payment of £222.77, followed by 58 payments of £172.77 and a final payment of £222.77.

Mr L raised issues with both the quality of the vehicle and the fact that the vehicle had been advertised as having a full-service history, when he believed that it did not. It was agreed that Mr L could reject the car and he received a refund, less a deduction for fair usage. This was charged at 25p per mile. Mr L had paid a total of £1,777.70 and a deduction of £1,128 was made for usage. This meant he was offered a refund of £649.70. Mr L believed that he was entitled to a full refund as the car had been misrepresented. He was also seeking a refund for the repairs that he had undertaken on the vehicle.

On 3 March 2026 I issued a provisional decision on the following basis:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Mr L was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) is of particular relevance 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". The CRA says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So it seems likely that in a case involving a vehicle, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says 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. Where goods are second hand, as in this case, due regard must be had to the price, age and any description applied to the vehicle.

The CRA also states that where goods are sold by description there is a clause included in the contract that the goods must match the description. So, the description applied to the car is not just important in terms of deciding whether it is of satisfactory quality but also if it has been misdescribed.

So, if I thought the vehicle was faulty or not fit for purpose when Mr L took possession of it and this made the vehicle not of a satisfactory quality, it'd be fair and reasonable to ask Oodle to put this right. Equally if I thought that the vehicle had been misdescribed then it would also be fair and reasonable to ask Oodle to put this right.

The Misrepresentation Act 1967 (MA) also has relevance here. A misrepresentation can be a statement of fact (for example, misstating the technical capacities of a product) or of law (such as misleading someone about the legal effect of a document). In either case, if the statement provides misleading information which influences someone to enter into a contract they would not otherwise have agreed to, as a result of which they suffer loss, this will be classed as a misrepresentation. There are three types of misrepresentation negligent, fraudulent and innocent.

If I thought that the vehicle had been misdescribed or a misrepresentation has been made then it would also be fair and reasonable to ask Oodle to put this right.

The key question for me to decide is whether the rejection of the vehicle is to be processed under the CRA or MA. The difference between the two is significant. Under the CRA Oodle are permitted to charge Mr L for the usage of the vehicle whilst in his possession. If the rejection is to be because of breach of the MA then Mr L would not be charged for this use.

Oodle have already offered Mr L rejection in line with what is required by the CRA. I only need to consider whether Mr L has made out a case to reject in line with the CRA if I do not believe he has a case under the MA. This is the remedy that Mr L has asked for.

I need to consider whether a misrepresentation has been made in this particular case. Mr L would need to prove the following for me to decide a misrepresentation had been made out:

- A false statement was made,
- It induced Mr L to enter into the contract,
- Mr L suffered a loss as a result of the misrepresentation.

Even if I find that there is an actionable misrepresentation I would need to be content that Mr L acted within a reasonable amount of time to rescind the contract, otherwise he would have been deemed to have affirmed the contract.

Has a false statement been made?

It is clear from the advert that the vehicle is advertised as having a full service history. This was also confirmed during a conversation between Mr L and the broker on 9 July 2025. During this conversation the broker made an assertion that:

- A full service history meant that the vehicle was supplied with the available service

history. In essence if a vehicle had only one service over a four year period and that was supplied, this would be classed as a full service history.

- A full up to date service history was different in that it was a service history that was conducted in accordance with manufacturing service schedules.

I do not believe that any consumer would take full service history as meaning anything other than a service history that shows that the vehicle had been maintained in accordance with manufacturing service schedules. Looking at the AA website it states "a full service history means that the vehicle has been maintained in line with manufacturer's service schedules and comes with all the relevant documents as proof." That is the standard I will judge the supplied history against.

Mr L has been asked to provide a copy of the service history he was supplied with, but this hasn't been given. I am having to take what was discussed between Mr L and the broker on both the 9 and 10 July 2025 as definitive evidence of the service history. It would appear that the vehicle was serviced in early 2022 (stated as January 2022 on 9 July 2025 and 11 March 2022 on 10 July 2025). The next entry was 23 November 2023 with the entry stating "EML Limp Mode. Battery removed." The next entry was 3 January 2024.

I think it is reasonable to assume that the entry on 23 November 2023 did not include a service. Both the entry stating "EML limp mode. Battery removed" and the next service being just over a month later on 3 January 2024 support this conclusion.

That means that there is a gap between early 2022 and 3 January 2024 without any service taking place. The manufacturer's service schedule is 12 months or 12,000 miles, whichever is soonest. I believe that this gap is sufficient to conclude that the vehicle did not come with a full service history but a partial one.

Did it induce Mr L to enter the contract?

This is purely a statement of fact. Mr L has stated that it was an inducement for him to enter into the contract. The statement full service history is prominent in the advert, so was clearly meant to make the vehicle more attractive to a customer. There is no evidence to counter Mr L's contention.

Did Mr L suffer a loss as a result of the misrepresentation?

Looking at various vehicle sales websites it is clear that there is a price differential between a vehicle with a full service history and one with a partial service history. The AA website states "If you miss a service, your vehicle will only have a partial service history, which could affect the resale value. It may have been maintained very well, but the lack of a full service history can limit how much you sell it for." So Mr L has suffered a loss because of the misdescription.

Is it negligent?

The remedies are different for innocent misrepresentation as compared to negligent or fraudulent. For me to consider any damages I would need to be convinced that the

misrepresentation had been made either negligently or fraudulently. There is no evidence produced to show that the supplying dealership knew that the service history was only partial when they made the misrepresentation. So, it would not be classed as fraudulent. The dealership has stated that they relied on information supplied to them. The question is it reasonable for them to do so? It is clear from the conversations that I have heard that there was a genuine belief that the vehicle did have a full service history and this belief was due to the information supplied to them. I am minded that this should be classed as an innocent misrepresentation.

It is also clear that Mr L raised the issue with the discrepancy relating to the status of the service history shortly after him becoming aware of it. He has maintained this position through out his complaint. He cannot be held to have affirmed the contract after he became aware of the misrepresentation.

My conclusion is that it is reasonable that Mr L takes the statement full service history as the vehicle has been maintained in line with manufacturer's service schedules and comes with all the relevant documents as proof. The gap of around 24 months between the service in early 2022 and the service on 3 January 2024 means that the vehicle does not have a full service history. Mr L has stated that the description full service history was an inducement to enter into the contract. There is a clear difference in value between a vehicle with a full and partial service history.

My provisional decision is that I do uphold this complaint.

The remedy for innocent misrepresentation is that the contract is rescinded. This differs from remedies under the CRA as no deductions for usage are made. Mr L should be put in the position he was at the start of the contract. This is a refund of all his payments without any deductions for usage. I can also see from the case file that Mr L paid £438.73 for repair work on an injector. This was on 3 June 2025. Mr L is entitled to be refunded the monies he has paid for repairing the vehicle. As the misrepresentation is an innocent one there is no recourse to damages under the MRA, so I am not awarding any compensation.

Oodle have contacted our service to say that they do not accept my decision. For that reason it has been passed to me to reconsider.

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 this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Mr L was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

My full original consideration is set out above. The basis of this decision is that a description of full service history was applied to the car supplied to Mr L, when in fact it was only a partial history. As the description was stated prominently in the advert for the car I felt that a misrepresentation had been made. This meant that Mr L was able to use the provisions of the MRA and rescind the contract.

Oodle have raised a number of issues that I will deal with in turn.

If the service history was vital to customer's purchase, did they not view the service history at point of sale? Was this not provided along with the vehicle? You confirmed the customer didn't share this information with yourself. If it is advertised as full service history would the customer not review the documents provided at point of sale? The service history matter only came up due to mechanical issues with the vehicle. Until that point the customer in our opinion never reviewed it or made sure the information provided to them at point of sale was accurate and in order. Is this not neglect on customer part?

In coming to my original decision I did consider whether Mr L should have exercised more diligence in checking the service history at the time of supply. The dealer is under no obligation to place the statement "full service history" in the advert. In doing so they are bringing specific attention to the fact that the car had a full service history. It is important that customers are able to rely on statements made in adverts. Whilst Oodle state that Mr L should have reviewed the service history I feel that the onus is greater on the dealer to make sure any statements that they make are correct. It is not up to Mr L to undertake due diligence on statements made by the dealer.

The provisional decision states that "He cannot be held to have affirmed the contract after he became aware of the misrepresentation." The agreement start date was in September 2024 and the first time customer raised this matter was in May 2025. The customer had full usage of the vehicle and covered 4,512 miles in essence getting free usage of the vehicle and receiving full refund of payments (per your provisional decision). In our opinion, the customer had 8 months use of the vehicle and covered over 4,500 miles hence, they should be liable for usage. Oodle should be allowed to retain 8 monthly payments as the customer had full use of the vehicle until the mis sale element and vehicle issues were raised with Oodle"

The provisions of the MRA are different to those of the CRA. One specific difference is that the business is not able to make deductions for use by the other party. If I had decided the case under the CRA then Oodle would have been entitled to withhold payment for use. However I also need to consider the provisions of the MRA and there is an actionable misrepresentation.

I have no evidence to show that Mr L was aware that the car only had a partial service history significantly prior to him raising in May 2025. He states that he raised the issue when he became aware of it and I have no reason to doubt that. This means he cannot be held to have affirmed the contract if he raised it when he became aware of it. As I said before I do not feel it is Mr L's responsibility to undertake due diligence on behalf of the dealer.

Restitution in Integrum: For a contract to be rescinded under the Misrepresentation Act, both parties should ideally be returned to their exact original positions. Because customer have added 4,512 miles and 8 months were passed, the car is no longer in the same condition it was in when sold.

Loss of Right to Rescind: If customer have used the car for 8 months, a court may rule that they have "affirmed" the contract or that rescission is no longer possible because the vehicle's value has changed too much.

Damages in Lieu: Under Section 2(2) of the Act, a judge has the power to award financial damages instead of a full rejection if they feel a refund is unfair to the seller after so much time. This would likely be the difference in value between a car with "Full Service History" (FSH) and one with "Partial Service History".

The Misrepresentation Act 1967 operates on the principle of rescission. This remedy aims to "unwind" the contract and restore both parties to the position they were in before the contract existed hence, could you kindly advise based on your provisional decision is Oodle/dealer returned to the position they were in prior to sale?

The unwind is completed hence, we are happy to recalculate usage based on the months customer had full usage of the vehicle instead of the per miles charge previously calculated by Oodle.

Alternatively, if you allow Oodle to retain 1 monthly payment per 1000 miles pro rata that would be 4.5 monthly payments. Oodle would be able to retain £777.47 and customer would get a refund of £1,000.23. Neither party would be fully satisfied however, the customer would still be in a better position as Oodle have to take depreciation, additional ownership added and reduced usage charge.

We believe the above is a fair outcome for all parties and by allowing the customer full and free usage of the vehicle this is not a fair outcome

Case law can be illustrative, for example *Salt v Stratstone Specialist Limited*. The Court of Appeal, which ruled that the mere fact that the car had depreciated in value was not a bar to rescission of the contract nor was the lapse of time. This decision was issued in an appeal where the High Court decided that a misrepresentation meant that the car should be returned to the dealer and the purchase price refunded.

The dealer has made a positive statement that the car had a full service history in an advert. This was false and discovered by Mr L, which shows that it would have been possible for the dealer to confirm whether this statement was true before making it, therefore avoiding making a misrepresentation and giving Mr L the right to rescind.

For these reasons I uphold this case and my final decision remains as the provisional decision.

Putting things right

I uphold Mr L's complaint against Oodle and to put things right they need to:

- Pay to Mr L a refund of £1777.70 for the monthly payments he has made,
- Pay to Mr L a refund of £438.77 for the repairs,
- Pay 8% simple interest per year on all refunds from the date of payment to the date of settlement
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My final decision

I uphold this complaint against Oodle Financial Services Limited. In order to put things right they must follow the redress as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 April 2026.

Leon Livermore
Ombudsman