

## **Complaint**

Miss N complains that Oodle Financial Services Limited (trading as “Oodle” Car Finance) unfairly entered into a hire-purchase agreement with her. She’s said that it wasn’t properly checked whether she could make the repayments to this agreement, which were unaffordable for her.

## **Background**

In September 2021, Oodle provided Miss N with finance for a used car. The purchase price of the vehicle was £6,879.00. Miss N didn’t paid a deposit and sought finance for the remaining for the whole amount. Oodle agreed to provide this finance via a 55-month hire-purchase agreement.

The loan had interest, fees and total charges of £2,464.85 (comprising of interest of £2,364.85 a document fee of £50 and an option to purchase fee of £50). This meant that the total amount to be repaid of £9,434.85 was due to be repaid in a first monthly payment of £218.07 followed by 53 monthly repayments of £168.07 and then a final repayment of £218.07.

Oodle didn’t uphold Miss N’s complaint. It believed that the checks it carried out were proportionate and that they showed it was reasonable to lend to her. Miss N remained dissatisfied at this outcome and referred her complaint to our service.

Miss N’s complaint was considered by one of our investigators. He didn’t think that Oodle had done anything wrong or treated Miss N unfairly. So he didn’t recommend that Miss N’s complaint should be upheld.

Miss N disagreed with our investigator and the complaint was passed to an ombudsman for a final decision.

## **My findings**

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

We’ve explained how we handle complaints about irresponsible and unaffordable lending on our website. And I’ve used this approach to help me decide Miss N’s complaint.

Having carefully considered everything, I’m not upholding Miss N’s complaint. I’ll explain why in a little more detail.

Oodle needed to make sure that it didn’t lend irresponsibly. In practice, what this means is that Oodle needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Miss N before providing it.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less

thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

Oodle says it agreed to this application after Miss N provided details of her salary. It says it also carried out credit searches on Miss N which showed that she didn't have any significant adverse credit information – such as defaulted accounts or county court judgments ("CCJ") – recorded against her.

Miss N did have some active credit. Nonetheless, it says that when reasonable payments based on the amount Miss N owed to existing creditors, plus estimates of her living expenses (based on statistical data) were deducted from her monthly income, the monthly payments were affordable.

On the other hand, Miss N says the monthly payments were unaffordable.

I've thought about what Miss N and Oodle have said.

The first thing for me to say is that Oodle didn't simply accept Miss N's declarations at face value as it carried out credit checks. And given what Oodle saw on the credit check suggests that Miss N was managing the credit she already had well, it's arguable that it was reasonable for Oodle to rely on an estimate of Miss N's living costs, rather than finding out more about what they actually were. This is because there was nothing obvious which suggested that Miss N fell outside the profile of the average borrower and she was also paying a significant cash deposit.

Furthermore, and in any event, I think that it's unlikely Oodle carrying out further checks is would have made a difference here. I say this because I'm satisfied that Oodle is still likely to have lent to Miss N even if it had found out more about her actual living expenses, rather than relied on statistical data.

Indeed, the information Miss N has provided from the time does appear to show that when her discernible committed regular living expenses and the credit commitments Oodle is likely to have known about are deducted from her income, she did have the funds, at the time at least, to sustainably make the repayments due under this agreement.

I've noted that Miss N has now carried out a line-by-line analysis of her bank statements and has reached the view that she didn't have enough left over for emergencies once the payments to this agreement was deducted from her disposable income. The first thing for me to say is that Miss N's analysis appears to have conducted using all expenditure not just her committed expenditure.

I also have to keep in mind that Miss N's most recent submissions are being made in support of a claim for compensation and any explanations Miss N would have provided at the time are more likely to have been with a view to persuading Oodle to lend, rather than highlighting any unaffordability.

So while Miss N says that she was helping family members living abroad, I think it unlikely that Miss N would have volunteered that she shouldn't have been lent to because she was making these payments, had Oodle asked or found out more about her regular living expenses. This is particularly as Oodle wasn't required to request bank statements from her

in the first place and any payments to Miss N's family members did not show up in the credit checks.

In reaching my conclusions, I've also considered whether the lending relationship between Oodle and Miss N might have been unfair to Miss N under s140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I've not been persuaded that Oodle irresponsibly lent to Miss N or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that s140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall and having carefully considered everything, while there is a reasonable argument for saying that Oodle's checks before entering into this hire-purchase agreement with Miss N did go far enough, I'm, in any event, not persuaded that Oodle doing more would have prevented it from providing these funds, or entering into this agreement with her. I appreciate that this will be disappointing for Miss N. But I hope that she'll understand the reasons for my decision and she'll at least consider that her concerns have been listened to.

### **My final decision**

My final decision is that I'm not upholding Miss N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 11 May 2026.

Jeshen Narayanan  
**Ombudsman**