

The complaint

Oodle Financial Services Limited trading as Oodle Car Finance (Oodle) provided Miss D with a hire purchase agreement to purchase a car in August 2021. Miss D says that Oodle:

- Provided the credit to her irresponsibly as the agreement wasn't suitable for her.
- She wasn't provided with full information about the agreement.
- The default and termination of the hire purchase was unfair, given that she was still making payments to the account.
- Her subject access request was not acted on in a timely manner.

Miss D has also raised issues about an insurance claim she made about the car, and any commission that formed part of the hire purchase agreement. These issues aren't being considered as part of this decision.

What happened

Our Investigator thought the complaint should be partially upheld, Oodle disagreed with the Investigator's opinion. The complaint was then passed to me.

I issued my provisional decision saying that Miss D's complaint should not be upheld. A copy of the background to the complaint, and my provisional findings, are below in italics and form part of this final decision.

What I said in my provisional decision:

Miss D started a hire purchase agreement to purchase a car. The cash price of the car was £15,589. Miss D paid a £999 deposit and she was due to repay 60 instalments of £382.87, making a total to repay of £22,972.20. The agreement has defaulted and has also been terminated.

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts about the complaint aren't in dispute, so I'll focus on giving the reasons for my provisional decision.

What I've provisionally 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 general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Miss D's case.

I think the credit was provided fairly and I'll explain why below:

Oodle has said that Miss D told it at the time of application that she was employed and earning £30,000 a year. She was a council tenant and had lived at her address for over eight years. It said it went on to look at some information from her bank statements and credit file and found out how much she was paying to her existing housing and credit commitments, and it used statistical information to estimate her other expenses. Oodle says that after these calculations it thought the new finance was affordable for Miss D.

Oodle has provided an outline of what it looked at, the information it received from some credit reference agencies and some bank statements. But it hasn't provided the calculations it says it did before lending. So, whilst it may have made the calculations it says it did, I can't be certain of this.

So, I don't think I can say the checks Oodle did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss D's financial situation. And I can't say that it adequately determined that Miss D could afford the lending.

But if Oodle had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the credit to Miss D.

This is because Miss D has provided some information about her circumstances from the time the finance was arranged and these don't show that she was in financial difficulty. She does use her overdraft but there are no other signs, that I've seen, of financial problems such as missed payments or defaults. And Oodle has provided the information it obtained from the credit reference agencies, these show she had some repayment difficulties in the past but there was nothing current that would have led to Oodle being able to say that it shouldn't have lent.

I think it's fair to say that, based on the information Miss D has provided about her circumstances at the time, there was nothing to suggest Miss D was unlikely to be able to sustainably repay what she was being lent.

The Subject Access Request (SAR)

Miss D has made a SAR to Oodle and part of her complaint is that Oodle didn't respond to this in a timely manner and she had to chase it. However, Oodle's records show that the SAR was applied for on 14 May 2025 which was acknowledged by Oodle on 22 May 2025. The information was provided by email on 12 June 2025 which is within the timeframe Oodle had to reply. I don't think there is any evidence of delay and Miss D didn't need to chase this. I'm not upholding this part of her complaint.

How the hire purchase was administered

Miss D has complained that her agreement shouldn't have been defaulted and terminated as she was actively making repayments to it and repaying off some of the arrears.

After the agreement was terminated the car was involved in an accident and I understand it has been written off. Whilst it's not part of this complaint some aspects of it are relevant. The insurance provider is taking steps to repay the amount of the finance that was left. I can see that Miss D doesn't entirely agree with this process, but what this does mean is that the finance agreement would have ended in any event. And so, the fact that the agreement was terminated hasn't really caused Miss D any loss, particularly as she had use of the car and made payments until the accident.

The remaining issue to consider is whether Oodle was right to default and terminate the agreement and whether it provided enough information about this to Miss D. The crux of Miss D's complaint about this is that she didn't fully understand why the agreement was terminated when she had arranged a repayment plan to repay the arrears and she was still paying this. Oodle has said that the agreement was terminated because of the high level of past arrears and the difficulty it had in contacting Miss D.

I've been provided with a copy of Oodle's contact notes and I've looked at this to see what the arrears were and what was explained to Miss D.

I've seen that Miss D was late paying to the agreement very soon after it started, she fell into arrears in March 2022. She was unable to repay these arrears alongside the contracted monthly repayments and the statement of account I've seen shows in August 2022 she was in arrears by just over £1,800.

Miss D does begin to repay £420 a month after this, and some extra amounts at times. And the amount for which she is in arrears stabilises and, in some months, reduces. The contact history shows that Miss D was at times in-between jobs and so she continued to have some repayment

problems. Miss D and Oodle undertook income and expenditure exercises to see what Miss D could afford to repay, given her changing work situation. But as there was reasonable contact with Oodle no further action was taken at this time

However, in late 2024, Miss D was again unable to make her regular repayments and the amount of arrears increases to around £3,000 in November 2024. And I can also see that Oodle had problems contacting Miss D from around November 2024 onwards. She doesn't seem to respond to Oodle at all.

It can be reasonable for a lender to default and terminate an agreement when there are significant arrears and the relationship between the parties has broken down. I think this is the case here. I can see the loan was defaulted in January 2025 and due to the ongoing lack of contact from Miss D the agreement was terminated in April 2025. I think given the contact problems and the arrears that this wasn't unreasonable.

Vulnerabilities and mental health

I can see that Miss D has some vulnerabilities and she has provided some information about her mental health. I'm grateful to her for supplying this information and I have looked at it. I'm not going to outline it here to protect her privacy. I hope things have improved for her. But I can also see that Oodle was aware of these problems, and it tried to assist her. I've not seen that it did anything unreasonable in how it treated her in respect of her problems.

I don't think Oodle acted unfairly in any other way.

This means I don't think Oodle did anything wrong when it provided the hire purchase to Miss D. And I don't think it has administered the account poorly or treated her unfairly.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oodle lent irresponsibly to Miss D or otherwise treated her unfairly. I 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 know this isn't the outcome Miss D hoped for, but for the reasons above, I'm not asking Oodle to do anything more to put things right.

Developments

Oodle, and Miss D, received my provisional decision. Oodle hasn't responded but I've decided to look at the complaint before the deadline in my provision decision as I'm still not upholding it.

Miss D didn't agree with my provisional decision, she said that the agreement was ended abruptly while a new verbal agreement was in place and payments were being made above the agreement amount. She has been told that the agreement was ended due to communication problems, she thinks this is unacceptable and a breach of policy.

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.

I think it's reasonable to say that Miss D didn't raise any new points after receiving my provisional decision. So, I've reached the same conclusions I reached before, for the same reasons.

I had already considered that Miss D was, at times, making payments above her agreement amount. But this was some time before the hire purchase was terminated and, as I said in

my provisional decision, at the end of 2024 and early 2025 Miss D was paying significantly less than the contractual repayment amount. The arrears had increased significantly at this time. And the contact history shows that Oodle was trying to contact Miss D about this but was unable to get in touch with her.

Overall, the agreement had been in arrears for several years when it was ended. At the point the hire purchase was defaulted and terminated the arrears were increasing and Oodle was unable to contact Miss D. I still think it's reasonable that the agreement was ended for these reasons. Because of this, and all that I have said in my provisional decision, I'm not upholding Miss D's complaint.

My final decision

For the reasons set out above, I don't uphold Miss D's complaint.

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

Andy Burlinson
Ombudsman