

## **The complaint**

Mr F complains that he was given an incorrect arrears figure from Oodle Financial Services Limited trading as Oodle Car Finance ("Oodle").

## **What happened**

Mr F acquired a car using a hire purchase agreement with Oodle in March 2017. The cash price of the car was £13,284.

Mr F said he was having financial difficulties and in 2018, he chose to voluntarily terminate his agreement. The car was sold at auction and Mr F believed that he should only pay the difference between the cash price of the car at the point of supply and the amount the car was sold for in 2018. Mr F said he was told the car was sold for £8,000 and he said he was told that he owed around £6,800. Mr F also believed interest was added to this figure he was given and that he only needed to pay around £4,000.

In January 2023, the agreement with Oodle was sold to a debt collection agency and Mr F was informed in writing.

Mr F complained to Oodle and also referred his complaint to our service.

Oodle provided Mr F their final response. In summary, they said Mr F sent Oodle his voluntary termination certificate; the car was then recovered; and the voluntary termination was processed. They also said on several occasions they explained to Mr F that the proceeds from the sale of the car at auction will not be used to offset the balance he still owed. They said they explained to him that he was liable for half the total amount payable plus any arrears and it was also clarified that sale proceeds will not go towards the liability owed, as it had been capped to half the total amount payable when Mr F chose to voluntarily terminate. Oodle also said Mr F was sent a letter outlining the liability owed in November 2019 and was told on some occasions before this date. Oodle said they couldn't find any evidence they made any errors, as they believed they correctly informed him of his outstanding liability following the voluntary termination and he was provided with a breakdown of what was owed.

Our investigator found that Oodle didn't need to do anything to put things right. In summary, he said the terms of the agreement Mr F signed were clear in the exit options available to him and he felt Oodle clearly communicated Mr F's liability and what was owed when he contacted them.

Mr F disagreed with the investigator's view and asked for it to be reviewed again. And so it has 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.

Having done so, I'm not upholding this complaint and I'll explain why below.

Mr F complains about a car supplied under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr F's complaint about Oodle

Firstly, I have reviewed the terms of the agreement Mr F agreed to when he acquired the car in March 2017. Within the agreement, it has a provision which explains Mr F's termination rights. It goes on to say that Mr F will need to return the goods and will be entitled to pay half the total amount payable under the agreement. So, I think the terms of the agreement were clear in Mr F's obligations if he chose to return the car earlier than expected.

Oodle has also provided copies of contact notes that are recorded on their internal systems. Having reviewed them, I can see on occasions the liability owed was disputed by Mr F, and it was explained and clarified to him how much he owed and the reasons why. For example, I can see a call note of a conversation held in 2018 which says:

*"... asked about VT liability and if sale proceeds had been applied to the balance... advised this is not the case for VT – sale proceeds only applied if agreement is terminated and the customer is liable for the full [outstanding balance]."*

I think this call note is detailed enough to show that clarity was provided to Mr F as to his obligations and what he owed.

Considering everything here, I can't see any evidence to suggest it wasn't made clear to Mr F of his obligations if he chose to voluntarily terminate the agreement and that the proceeds of the sale of the car would not be deducted from what he owed.

I have also seen an internal screenshot of Oodle's systems which shows the balance owed. This screenshot supplied does not show that interest has been applied.

In summary, I can't say that Oodle has acted unfairly towards Mr F. It follows that I don't think Oodle needs to do anything to put things right.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 10 January 2024.

Ronesh Amin  
**Ombudsman**