

## **The complaint**

Mr F complains that Oodle Financial Services Limited unfairly handled his request to reject a car and cancel a credit agreement.

## **What happened**

In May 2022, Mr F entered into a five-year hire purchase agreement with Oodle for a used car. Mr F says he was informed that he could return the car within seven days and cancel the agreement if he found it wasn't suitable.

Mr F says that after driving the car, he decided that it wasn't going to be suitable and he had some concerns about its performance. He contacted the supplying dealership to return it but says he was told that, as he had driven more than 200 miles in the car, he couldn't now return it.

Mr F complained to Oodle who arranged for the car to be inspected by an independent engineer, from a third-party company, to ascertain if the car had any faults. Mr F was unhappy about the choice of the company that was to be used for this inspection and so, instead, arranged his own through a garage.

Oodle said that the report provided by the garage, used by Mr F, wasn't sufficiently detailed to establish if the car had any faults and so asked him to get a further one undertaken, which Mr F declined.

In July 2022, Oodle sent Mr F its final decision letter about his complaint. It said it wasn't upholding his complaint as there were no grounds for him to reject the car.

Mr F discovered that the car had an outstanding recall notice from the manufacturer due to its condition which had been in place since March 2021, and he said the car shouldn't have supplied to him in these circumstances. He asked to reject it and be compensated for his losses. Mr F also complained to this service.

During this service's investigation Oodle retrospectively reviewed Mr F's complaint and said that it agreed it would be fair for him to reject the car and for the agreement to be unwound. Oodle said that, although Mr F had made some limited use of the car, it wouldn't require him to make any of the monthly contractual payments. It also offered Mr F £200 compensation for the distress and inconvenience caused to him having to deal with the faulty car.

Mr F disagreed with Oodle's offer of compensation. He asked that certain losses should be reimbursed to him, as well as compensation. Mr F said it would be fair for Oodle to pay him £1,200 for legal fees that he had incurred over disputing that he was not entitled to reject the car and unwind the agreement; £165.69 to cover the cost of car tax and insurance for the car and £1,300 for loss of income due to the stress of the matter impacting on his mental health and leading to him being unable to work.

Our investigator said that she thought Oodle's offer of £200 compensation was fair in the circumstances and she wouldn't ask it to do more. She said that Mr F had chosen to seek

legal advice and so it wasn't reasonable for Oodle to cover that cost. Our investigator also said that any car needed to be insured and taxed while in Mr F's possession and she hadn't seen that he'd had to tax and insure a second car, so she was satisfied Oodle didn't need to refund this amount.

In respect of Mr F's health, our investigator said that, although she was sympathetic to his situation, she couldn't reasonably say that Oodle's handling of this matter had been the sole cause of Mr F's ill health. She said because of this it wouldn't be fair to ask Oodle to cover his loss of income.

Mr F disagreed with our investigator's view. He said he thought the level of compensation was unfair when looking at what Oodle had put him through in the way it handled his request to reject the car. He said there had been a significant impact on his mental health which had led to him requiring time away from work.

As the parties were unable to reach an agreement the complaint was passed to me.

### **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.

Oodle has accepted that Mr F was entitled to reject the car and for the credit agreement to be unwound and, in light of that, I'm going to concentrate on what would be fair settlement rather than whether the car was of an unsatisfactory quality.

Mr F says there has been a significant impact on him due to the time it took Oodle to agree he could hand the car back. I've seen that Mr F consulted solicitors to assist him following Oodle's original decision not to uphold his complaint. Mr F has asked that these costs are reimbursed by Oodle. But while I can appreciate why Mr F may have sought legal advice, I agree with our investigator that this was Mr F's choice to do so. And legal assistance isn't needed to bring a complaint to us as we are an alternative dispute resolution service. So, in these circumstances I don't think it would be reasonable to ask Oodle to refund these costs to Mr F.

Mr F has also asked that costs of the car tax and insurance, for the period he had the car, be reimbursed. I appreciate Mr F got limited use from the car as he stopped using it in June 2022, and kept it parked on his drive. However, under the agreement it was Mr F's responsibility to ensure the car was kept taxed and insured. The insurance provided Mr F with protection should anything have happened to the car while it was in his possession. And further, these costs would arise with any car and, as Mr F doesn't appear to have had to duplicate them with another car at the same time, I'm satisfied it's fair for Mr F to pay them. I've seen Oodle hasn't required Mr F to pay any of the contractual monthly rentals that would have been due while he had the car. So, I'm not going to ask Oodle to refund the amount of £165.69 to Mr F.

I appreciate Mr F feels very strongly that the actions of Oodle have led to him being unable to work due to the stress he was feeling over the potential financial implications of not being able to reject the car, and the way his complaint was being handled. I have carefully considered the medical evidence that has been provided. While I'm sorry that Mr F has been unwell and required medication and therapy to assist him at this difficult time I'm afraid, on the evidence that I have seen, I can't reasonably say that Oodle has been the sole cause of Mr F being unable to work. The medical records are brief in detail and suggest he was struggling to deal with other issues including financial difficulties. So, there isn't sufficient information that would justify me requiring Oodle to reimburse Mr F for his loss of earnings.

However, I do accept that Mr F was caused distress and inconvenience dealing with this faulty car and so I think compensation is due. I'm satisfied that, in these circumstances, that £200 is fair and reasonable and I'm therefore partially upholding Mr F's complaint.

### **Putting things right**

I'm asking Oodle Financial Services Limited to pay Mr F £200 compensation for having to deal with the faulty car.

### **My final decision**

For the reasons given above, I'm partially upholding Mr F's complaint in that I think it's fair and reasonable for Oodle Financial Services Limited to pay Mr F compensation for his having to deal with the faulty car. I'm therefore asking Oodle Financial Services Limited to pay him £200 compensation for the distress and inconvenience caused by having to deal with the faulty car.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 13 December 2022.

Jocelyn Griffith  
**Ombudsman**