

The complaint

Mr C complains about a decision taken by Oodle Financial Services Limited to terminate his hire purchase agreement.

What happened

In March 2022 Mr C entered into an agreement with Oodle for a used car costing £33,995. Under the terms of the agreement, everything else being equal, Mr C undertook to make 1 monthly payment of £848.88 followed by 58 monthly payments of £798.88 and 1 monthly payment of £848.88 making a total repayable of £48,032.80 at an APR of 15.6%.

On 5 December 2022 Mr C had the car MOTd – with an expiry date of 4 December 2023.

On 27 September 2023 Mr C contacted Oodle to say his car had broken down on 7 September 2023 (in Germany) and he was waiting for it to be uplifted to the UK.

On 12 October 2023 Oodle contacted Mr C. Mr C advised his car was still in Germany waiting to be uplifted to the UK.

On 20 October 2023 Oodle sent Mr C a notice of default. Under cover of this notice Oodle said it had come to its attention that Mr C had failed to keep the car safely at his address and in the event the car wasn't returned to his address by 7 November 2023 it reserved the right to recover the car, terminate the agreement and demand payment.

On 21 October 2023 Mr C contacted Oodle to say the car was still in Germany waiting to be uplifted to the UK. Oodle advised Mr C that a default notice had been sent because he had failed to seek its permission to take the car out of the country.

On 23 October 2023 Mr C contacted Oodle to say the car was still in Germany waiting to be uplifted to the UK and he was unaware he needed permission to take it out of the country.

On 26 October 2023 Mr C contacted Oodle to say the car was still in Germany waiting to be uplifted to the UK.

On 11 December 2023 Oodle sent Mr C a termination notice. Under cover of this notice Oodle said that as Mr C had failed to comply with its notice of default it:

- had now terminated the agreement
- needed the car to be returned
- needed payment of £25,364.55 less the net sale proceeds achieved on the car's ultimate sale

On 21 December 2023 Mr C contacted Oodle to ask why he had been sent a termination notice. Oodle explained it was because he had taken the car out of the country without its permission and because the car had no MOT. In response Mr C said the car was now in the UK (and had been since 28 November 2023).

On 22 December 2023 Mr C contacted Oodle to ask if its decision to terminate his agreement could be reversed. Oodle confirmed it wasn't willing to do so. On being advised by Oodle it wasn't willing to reverse its decision to terminate his agreement Mr C lodged a formal complaint.

On 4 January 2024 Oodle responded to Mr C's complaint. Oodle said it was satisfied that it had done nothing wrong in terminating his agreement.

Unhappy with Oodle's response to his complaint Mr C referred it to our service.

Mr C's complaint was considered by one of our investigators who came to the view that Oodle had done nothing wrong in terminating Mr C's agreement.

Mr C didn't agree with the investigator's view so his complaint has been passed to me for review and decision.

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.

First I would like to acknowledge Oodle's submission to our service (in July 2024) confirming that the car was still in Mr C's possession and that Mr C had advised it (in March 2024) that he no longer wished to proceed with his complaint with our service. But in the absence of Mr C confirming the latter to us directly, despite our best efforts to seek such confirmation, I can confirm that I'm satisfied that it's entirely appropriate for me to proceed with the issue of this decision.

Having reviewed everything the parties have said and submitted I can confirm that I've come to the same overall outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

I've reviewed the terms and conditions of the agreement and note that Mr C agreed to the following;

"You have to:

- *keep the vehicle under your control...*
- *...*
- *make sure that any tests or inspections required by law (such as an MOT) or by the insurer are carried out*
- *...*

These are the things you cannot do:

- *...*
- *you are not allowed to take the vehicle outside the UK without our prior written consent*
- *..."*

Now I appreciate Mr C says he was unaware that he needed Oodle's written consent to take the car out of the country, but I'm satisfied that this is what Mr C agreed to do when he signed the agreement. Furthermore, this type of term or obligation isn't unusual in hire purchase agreements and is included so a business, who own the car until a consumer has made all payments required of them, can make a decision as to whether its ability to recover the car, if recovery is needed, is in anyway compromised by it being taken out of the country as could well have been the case here.

I also appreciate that Mr C says he was unable to get the car MOTd when it was due to be because although the car was in the UK at the relevant time it required a number of repairs. But the fact remains Mr C agreed he would keep the car MOTd at all times and as of 31 July 2024 the car still hadn't been MOTd.

With the above in mind and given that the agreement states Oodle can end it where there has been a breach of it, such as a failure to get written permission to take the car out of the country or a failure to keep the car MOTd, I'm not persuaded I can reasonably conclude that Oodle has done anything wrong in this case. In other words, I'm satisfied that Oodle need not reinstate the agreement and allow Mr C to keep possession of the car as Mr C is looking to happen, or at least was originally looking to have happen.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 September 2024.

Peter Cook
Ombudsman