

The complaint

Mr G complains about the quality of a car he has been financing through an agreement with Lendable Ltd, trading as Autolend.

What happened

Mr G took receipt of a used car in September 2022. He financed the deal through a hire purchase agreement with Autolend.

He experienced problems with the car and in August 2023 after he'd referred his complaint to this service, repairs were carried out to the cylinder head.

In February 2024 Mr G had further problems with the car and he paid to have repairs carried out. He contacted Autolend but didn't provide the evidence they required to show the faults were their responsibility so they wouldn't refund any costs.

Mr G referred a complaint about that to this service but our investigator didn't think there was sufficient evidence the faults were present when the car was supplied or that they were the result of a failed repair in August 2023. The investigator noted, however, that the car's head gasket had failed since Mr G had referred his complaint to us. She thought it likely that was because the August 2023 repair had failed. She suggested Autolend should authorise a repair at a cost of £1,052.40.

Autolend didn't agree so the complaint has been passed to me, an ombudsman, to make a final 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.

I know it will disappoint Autolend, but I agree with the investigator's view of this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr G acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Autolend, who are also the

supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr G. The car here was about eight and a half years old and had already completed about 78,000 miles when it was supplied.

An old car with a high mileage will not be expected to be as good as a newer car with a low mileage, but it should still be fit for use on the road, in a condition that reflects its age and price.

I'm considering the faults that have occurred since the repair was carried out in August 2023. While the most recent head gasket issue has happened since Autolend issued their final response on the February 2024 repairs, it is a complaint they've engaged with and it seems sensible to me, and beneficial to both parties, for me to deal with it here.

The January/February 2024 repairs

Mr G authorised repairs to:

- Remove, clean and reseal the timing cover.
- Replace the water housing.
- Replace the aux belt.
- Replace the thermostat.
- Replace the front crash sensor.
- Replace the water pump and pulley.
- Supply and fit a windscreen.

I don't think he's supplied sufficient evidence that any of these faults were present or developing on the car when he took receipt of it almost a year and a half earlier. Autolend had asked for that information before repairs were completed but as Mr G completed the repairs without providing further evidence I don't think it would be fair to hold them accountable for the costs incurred.

The head gasket failure (March 2024)

The dealership the car is currently at, has inspected the car. It is their opinion that the head gasket has failed because the repair completed in August 2023 has failed.

Autolend have objected to that. They say the dealership isn't independent in the matter and stands to benefit from the work if it's given the go ahead. I'd agree that the dealership can't be considered truly independent, but I am persuaded it is likely the repair has failed. I say that because:

- The dealership's comments are comprehensive. They've noted evidence that the old gasket had been reused and not replaced, and the cylinder head hadn't been properly skimmed.
- Autolend haven't provided any independent evidence of their own and have had many months to do so.

- Mr G had completed about 2,500 miles in the car since the August 2023 repair and I think the repair should have lasted longer than that. I have no evidence to suggest the head gasket fault has been caused by any other problem.
- While Autolend have explained the car has passed an MOT since the August 2023 repairs, I don't think that suggests the repair was successful. I think the repair should have lasted longer than it did.

The relevant legislation allows a business one opportunity to repair a car and Autolend had that opportunity in August 2023. They've suggested that they may, therefore, prefer to authorise rejection of the car, but they didn't reply when our investigator asked them if they wanted her to put that rejection to Mr G. I've considered what would be fair here. Mr G has spent a lot of money on repairs in recent times. He's been waiting for repairs to be approved on this car since March 2024 and there have been some delays in Autolend's responses to this service which have prolonged that period. The car was financed under a hire purchase agreement and that gives Mr G the potential to take ownership of the car at a later point. On balance I think it would be fairer for Autolend to fund the repairs that are currently required to the head gasket.

Mr G hasn't been able to use the car since March 2024 and it's not fair for him to be paying for a vehicle he's had no use of. Autolend will need to refund any finance instalments that have been paid since 20 March 2024 and they should add interest to the refund as Mr G has been deprived of the money.

I'm not asking Autolend to pay any compensation to Mr G in relation to distress and inconvenience. The initial claim was in my opinion unmerited and I note that Autolend been prepared to engage with the complaint about the head gasket and haven't asked to consider it separately, which would have prolonged the issue for Mr G.

If Mr G can provide a receipt for the diagnostic test required to identify the current head gasket problem, Autolend should refund that expense, with interest.

My final decision

For the reasons I've given above I uphold this complaint and tell Lendable Ltd to:

- Pay for repairs to the head gasket.
- Refund any finance instalments paid by Mr G since 20 March 2024 in respect of loss of use. Add 8% simple interest* from the date of payment to the date of settlement.
- Refund the cost of diagnostics on provision of a receipt. Add 8% simple interest* from the date of payment to the date of settlement.

*If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 December 2024.

Phillip McMahon
Ombudsman