

The complaint

Mr R complains about the quality of a used car he acquired through a hire purchase agreement with Lendable Ltd trading as Autolend ('Autolend'). Mr R says that the car has had a large number of problems, and it isn't of satisfactory quality.

What happened

Mr R's complaint is about the quality of a car he acquired in March 2024. The car was used, and it was first registered in February 2018. So, it was six years old when Mr R received it. It had covered 60,880 miles.

Mr R acquired the car using a hire purchase agreement that was started in March 2024. The vehicle had a retail price of £18,999 and all of this was financed. This agreement was to be repaid through 60 monthly instalments. There were 59 instalments of £508.22 and a final instalment of £539.83 plus a nominal option to purchase the car fee at the end. If Mr R made repayments in line with the credit agreement, he would need to repay a total of £30,549.81.

Below is a summary of the issues complained about by Mr R and the investigation and repair work that has been carried out by an independent garage and the dealership, alongside what has happened in respect of the complaint.

Mr R has said the car has, and had at the time of supply, the following faults:

- There was a problem with the car's cooling system.
- There were pen marks on the seats.
- There was rubbish (including food) in the vehicle when he acquired it.
- There was a 'rattling noise' from the wheels, or around that area.
- There was condensation in one of the lights.
- The car was sold without mats or a memory card.
- The cosmetic condition of the alloy wheels was poor.
- The vehicle was sold at auction and had been used as a courtesy car, and it has not been maintained properly.

Mr R says that after he collected the car, he noticed the problems above and he had the car looked at by a third party garage after a few weeks. This garage said that Mr R should have the car looked at by the dealership.

The dealership looked at the problems with the coolant system. The report produced in May 2024 said the coolant bottle was empty at the time of inspection and the engine radiator assembly was found to be bowed and leaking, meaning the vehicle required a new radiator immediately.

It also said there were some problems with tyre wear, the brakes, the wheel bearings, there was water ingress in a light, and slight play to the near side track rod end. These were all noted as concerns that would require attention soon. But no work was needed to rectify these issues immediately.

Mr R complained to Autolend in May 2024 about the faults above. Autolend considered this complaint, and it upheld it. It said that it was likely the radiator on the car was faulty at the time of supply, and this made the car not of satisfactory quality. But the dealership was willing to arrange a garage to repair this part of the car. It said it was satisfied the dealership was accepting liability for the repair of the radiator and 'any failures' of the repair.

I can see that Mr R and the dealership tried to arrange a time for the car to be repaired at a third party garage. And I can see that the car was booked in to be worked on in August 2024 but Mr R didn't attend this appointment. Mr R has maintained that the repair to the radiator is not enough, and he should have been able to reject the car.

Mr R brought his complaint to the Financial Ombudsman Service.

Our Investigator upheld Mr R's complaint. He said the fault with the radiator made the car of unsatisfactory quality and that Autolend should pay the costs of the repair to this. He should receive a refund of some of the finance payments he has made over time and Autolend should pay for the diagnostic Mr R had performed.

But he didn't uphold Mr R's complaint about the other issues that he had raised. He thought these were issues that would have been visible at the point of sale, and / or were ordinary wear and tear that should be expected of a car of this age and mileage.

Mr R didn't agree with the Investigator. He said the reason the car was not repaired was because he wanted to reject it. And he said the car had abnormal wear and tear as it was a courtesy car prior to him purchasing it. It had a lot of issues when he acquired it. It was not maintained properly by the dealership and had been '*thrashed*'.

In October 2024 Mr R said the car was in accident. The car radiator was not repaired before the accident. Mr R then said the car was a total loss by his insurers and the insurance funds have been put towards the outstanding finance balance.

There was some further correspondence and some of this concerned whether Mr R should pay a missed appointment charge for the radiator repair. Our Investigator didn't think this was reasonable as Mr R didn't agree to the appointment or the repair.

Because no agreement has been reached, this matter has been passed to me 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Autolend as the supplier of the goods under this type of agreement and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would need to meet the standard that a reasonable person would consider satisfactory – considering any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the car's history.

The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of this.

This car was six years old when Mr R acquired it, and it had travelled just over 60,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.

But there's also a reasonable expectation that a vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new Mr R should have been able to use it for a reasonable period of time before it needed significant work.

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 a 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.

Autolend has accepted that the car had a fault with the radiator when it was sold to Mr R, and this made the car of unsatisfactory quality. There is no ongoing dispute about this.

Mr R raised this issue more than 30 days after he acquired it, and so he didn't have an automatic right to reject the car. And the CRA says, and I agree with this here, that a repair is a reasonable remedy for a fault that becomes apparent after 30 days. So, I think Autolend and the dealerships offer to repair the radiator was reasonable.

I understand this is now not possible as the car is written off, but as I've not seen confirmation of this, I have included it in the compensation below.

The crux of the remaining complaint is whether Mr R should have the right to reject the car due to the other problems he had with it during the time he was using it. I've thought about this below.

Whilst I have noted these faults and problems, they don't necessarily mean that the car wasn't of satisfactory quality at the time of supply. The overriding factor here is that this was a used car that had travelled a significant number of miles before Mr R acquired it. So, it was always going to need some repairs and maintenance over time, as it did. I've thought about whether the work that the car needed was reasonable for a car of this age and prior usage.

Mr R has provided some information from both an MOT test and the dealership which shows it was always likely the car would need repairs in the near future to the wheel bearings, some suspension parts and one of the lights.

But both the MOT and the dealership inspection say that these weren't immediate problems describing them as advisories. And these are the kind of issue that I would expect an older car to have due to general wear and tear. And so, I don't think it's reasonable to say that they made the car of unsatisfactory quality.

Mr R has also said that the alloy wheels were not in a good condition, by that he means they need to be refurbished or have been refurbished badly. But whilst cosmetic issues can lead to a car being of unsatisfactory quality, I think Mr R would have been able to inspect the wheels before purchase and not acquire the car if thought they were not in the condition he wanted. And so, I don't think he should be able to reject the car for this reason.

Mr R said the car didn't contain a memory card and mats and it only came with one key. Autolend has said that information from the point of sale of the car shows that these items would not be present. I've not seen confirmation of this, But Mr R does seem to have been aware that these wouldn't be provided, and it is also something I would have expected him to raise straight away. I think it's reasonable to say Mr R purchased the car in this condition and I'm not upholding this part of his complaint.

Mr R says that the car was purchased from an auction and it had previously been used as a courtesy car. This dealership does typically purchase cars from an auction and so this may be correct. But this doesn't affect my consideration of the quality of the car, and it doesn't mean that it wasn't right to sell Mr R this car. There is no further evidence that the car has been poorly maintained over time, other than what Mr R has said. And this isn't enough to uphold his complaint about this issue.

Autolend has said that Mr R missed an appointment to have the car repaired and he should pay the appointment cancellation fee. As far as I can see he didn't agree to have the car repaired and I've not seen anything to show Autolend paid this fee. I don't think it's fair that Mr R pays this.

Mr R has been able to use the car but there has been a fault with the radiator. So, it hasn't been performing as it should have, and Mr R has needed to refill the radiator frequently. I agree a 5% refund of the payments made from the time the finance started to the date of the car's accident fairly reflects the impaired use caused by the car not being of satisfactory quality.

Mr R paid £82.50 for a diagnostic to be completed at the dealership. This extra expense came about because Autolend supplied him with a car that wasn't of satisfactory quality. So, Autolend should also refund this to Mr R.

Mr R says that the car wasn't in a clean condition when he purchased it and there were food and 'pen marks' within the car. I'm sure this would have been upsetting for Mr R but he didn't raise this with the dealership and Autolend until sometime after he took possession of the car. I don't think I can uphold the complaint on this basis, other than the award for distress and inconvenience I'm making below.

Mr R has explained that the situation has been distressing, I agree that he has experienced distress or inconvenience as a result of the problems he has had with the car. Overall, having considered the impact of this situation on Mr R, I agree Autolend should pay him £200 compensation.

Putting things right

Autolend should:

- Arrange for and cover the cost of the repairs to the car radiator. These should be carried out within a reasonable timescale from the date Mr R accepts the decision. If it's no longer possible to repair the car, then Autolend does not need to do this.

- Pay a refund of 5% of the finance payments Mr R made from inception until the time the car was involved in an accident.
- Pay Mr R £82.50 for the additional expenses incurred.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- Pay £200 for any distress or inconvenience that's been caused.
- Remove any adverse information from Mr R's credit file in relation to the agreement.

If Autolend considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr R how much it's taken off. It should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, I partly uphold Mr R's complaint.

Lendable Ltd should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 August 2025.

Andy Burlinson
Ombudsman