

The complaint

Mr G complains about the quality of a used car he acquired through a hire purchase agreement (HPA), financed by Lendable Ltd trading as Autolend (Autolend).

What happened

Around July 2024, Mr G acquired a used car through a HPA, financed by Autolend. The cash price of the car was £3,519. Mr G paid a deposit of £150, with the balance being financed through the HPA. The car was around 140 months old and had travelled around 61,000 miles when Mr G acquired it.

In September 2024, Mr G complained to Autolend that the car's engine kept 'cutting out' and that it was dangerous to drive. In addition, Mr G said the chassis was rusty.

Autolend upheld Mr G's complaint on 7 October 2024 saying despite there being limited information available, the supplying dealership had agreed to repair Mr G's car. And on the basis that this wouldn't be something they would've expected the supplying dealership to do if the issues had developed since Mr G acquired the car, Autolend said this led them to believe the fault was already present, so they didn't think the car was of satisfactory quality at the time of the sale.

Unhappy with Autolend's response, Mr G referred his complaint to the Financial Ombudsman Service.

Mr G said he only had use of the car for around six weeks before the engine went, after which he says it then sat there for around a further six weeks before the supplying dealership collected it. Mr G said, while the garage had now repaired the car and had been in contact with him about bringing it back, he no longer trusted them so instead wanted to reject it.

One of our Investigators looked into things saying while she agreed the car wasn't of satisfactory quality when it was supplied to Mr G, she considered repair a fair and reasonable remedy, so she didn't think Mr G had the right to reject the car.

But our Investigator did say Autolend should pay Mr G compensation of £100, in addition to the compensation already paid by the broker Mr G acquired the car through and remove any adverse data applied to his credit file in relation to the agreement.

Mr G disagreed with our Investigator's opinion saying he didn't want the car back as it is a death trap. He said Autolend should 'sort it' with the garage who were still in possession of the car.

Because a resolution couldn't be reached, this complaint has come 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 upholding this complaint and for much the same reasoning as our Investigator. I'll explain why.

But first, where evidence is incomplete or inconclusive (as some of it is here), I've reached my decision on the balance of probabilities, deciding what I consider most likely to have happened in light of the evidence that is available and the circumstances of this complaint as a whole. And I've concentrated on what I think are the key issues here. Our rules allow me to do this.

As this complaint concerns the quality of goods, in this case a car, supplied through a regulated HPA Mr G entered into, I'm satisfied this is a complaint we can consider.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is a statutory right for the goods to be of satisfactory quality. It's important to say in this case.

To be considered satisfactory, the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and all other relevant factors.

Here, Mr G acquired a used car which had covered around 61,000 miles and cost £3,519. So I think a reasonable person would not have the same expectation of quality in comparison to a newer model, which had less mileage on the odometer. But, I still think they would expect the car to be free from any major defects and would expect trouble free motoring for both some time and distance.

Autolend have accepted the car was of unsatisfactory quality at the point of which it was supplied to Mr G. This isn't in dispute. Instead, it's what needs to be done to put things right that remains in dispute. It's this what my decision will focus on.

I understand Mr G's concerns leading to him now wanting to reject the car and I've thought carefully about what he's said. But I must also consider what the CRA says in cases where goods of unsatisfactory quality are supplied, which is what has happened here.

Section 24(5) of the CRA says:

"a consumer who has the right to a price reduction and the final right to reject may only exercise one (not both), and may only do so in one of these situations –

(a) After one repair or one replacement, the goods (in this case the car) do not confirm to the contract"

This is known as the single chance of repair.

Autolend have shown us Mr G raised a complaint with the broker involved in supplying the car as well as the complaint against them, which forms the subject of this decision. The final response letter issued by the broker to Mr G confirmed the supplying dealership had agreed to repair the car at no cost to him and had offered to provide a courtesy car for the duration of those repairs.

Autolend have confirmed the supplying dealership collected the car from Mr G towards the end of September, and Mr G's told us he's since been contacted by the supplying dealership

about arranging for the car to be returned to him.

So, on balance, and in the absence of any evidence to suggest otherwise, I think it's more likely than not that the car has been repaired, and those repairs have been successful. And by agreeing with the broker for the repairs to go ahead and allowing for the supplying dealership to collect the car, I'm satisfied Mr G accepted an attempt at repair. And as I've nothing to suggest that the repair has been unsuccessful, I don't think it would be fair and reasonable for him to be able to now reject the car.

Next, I've thought about what impact having been supplied a car of unsatisfactory quality and the loss of use of that car, had on Mr G.

From the information available to me, while I can't be sure of the exact dates, there does appear to be a short period after the six weeks of use Mr G enjoyed, where he says he no longer had use of the car prior to it being collected and a courtesy car being supplied.

But as I've said, I've not been provided the exact dates between which the car was undrivable and when it was collected. Nor have I been provided Mr G's repayment history towards the HPA – so when considering the impact on him, I've taken a broader approach, considering everything as a whole.

I'm satisfied from what Mr G's told us he's incurred distress and inconvenience as a result of being supplied a car of unsatisfactory quality and at times, for at least a short period, he was unable to use the car prior to being provided a courtesy car to keep him mobile. So, I think he should be compensated by Autolend for this, in addition to any compensation the broker decided to pay. I consider it reasonable for Autolend to pay Mr G £100 compensation.

Putting things right

Having considered all the circumstances of this complaint, for the reasons I've explained, in order to resolve this complaint, Lendable Ltd trading as Autolend should:

- pay Mr G £100 in compensation for distress and inconvenience and,
- remove all adverse data added to Mr G's credit file between the date he raised his complaint with Autolend and the date he was advised the car had been repaired, if any.

My final decision

My final decision is that I uphold Mr G's complaint and instruct Lendable Ltd trading as Autolend to settle the complaint in line with what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 August 2025.

Sean Pyke-Milne
Ombudsman