

The complaint

Mr P has complained about the quality of a car he acquired using finance from Lendable Ltd trading as Autolend.

What happened

Mr P entered into a finance agreement with Autolend for a used car. At this point, it was around six years old and had 94,368 miles on the clock.

Unfortunately, in April 2024, he had issues with the gearbox. At this point, there were 96,962 miles on the clock. Mr P contacted the dealership, the broker and Autolend about this. Ultimately, in July 2024, the dealership agreed to repair the car. Unfortunately, it didn't have capacity to do so until the September, at which point Mr P took the car in. However, it was there for two weeks, and no repairs were carried out. The dealership also said that Mr P had continued to drive the car after reporting the issues, so further damage had been caused.

Autolend then asked Mr P to get a repair quote from a local VAT-registered garage, because the dealership wouldn't be able to carry out any repairs until December in any case. Mr P tried to do so, but all of the garages he contacted told him he'd need to go to a main dealership.

Mr P then brought his complaint to our service. He wants the car repaired at Autolend's expense, or wants to reject the car.

One of our investigators looked into what had happened. He noted that when Autolend issued its final response letter in October 2024, it agreed that the car wasn't of satisfactory quality when it was supplied. He was also satisfied that there were significant delays, which were not of Mr P's making. He thought it likely, on the basis of an engineer's letter and a Scotia report, that Mr P had tried to get quotes, but these hadn't been forthcoming. Further, he thought it reasonable that Mr P had continued to drive the car. This was because he hadn't been advised not to, it was still driveable, and he'd been told he couldn't have a courtesy car.

Accordingly, he thought it reasonable that Autolend arrange and pay for the repairs to be carried out the car within a month. If this didn't happen, or the repairs failed, Mr P should be allowed to reject the car. He should also be paid £350 compensation, in either scenario.

Autolend agreed to arrange repairs, and said it would pay for these as a gesture of goodwill. But it said it wouldn't accept rejection, or the proposed award for distress and inconvenience. This was because, since it had issued its final response letter, it had an independent inspection carried out. This said the fault/damage was likely not present at the point of supply, and was in fact wear and tear.

The complaint's now been 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.

Having done so, I'm upholding it. I'll explain why.

The issues manifested when Mr P had driven the car for around two months, and 2,600 miles (which I note is roughly a driver's average monthly mileage). And, as the issues appeared within the first six months, the onus is on Autolend to show they weren't present, or developing, at the point of supply – or that they are acceptable wear and tear. I accept it had an independent report carried out. However, this was many months after the issues were reported by Mr P. During this time, he had continued to drive the car. I'm satisfied he did so reasonably, given he was told repairs couldn't be carried out until an unknown but distant time in the future, that he couldn't have a courtesy car, and that he was expected to provide quotes (which was not reasonably possible).

This means four things. First, Autolend didn't do enough to help Mr P get the car repaired, by largely putting the onus on him. Second, it had the opportunity to have an inspection carried out far sooner, but didn't do so. Third, I don't think the inspection carries much weight, as the car was driven in a damaged state for so long before it was carried out. And fourth, due to the same issue, Mr P no longer has the opportunity to have a satisfactory report of his own carried out, to refute what Autolend is relying upon.

So, it follows, that I'm not satisfied that Autolend has done enough to show the car was supplied in a satisfactory condition. Accordingly, it should have one opportunity for repair – at its own expense and to be settled directly. And, given the already extensive delays, this must be done within one calendar month of being notified that Mr P has accepted my decision (should he choose to do so). If these repairs are not carried out in this time, or if they fail, Mr P should be allowed to reject the car.

I've also considered compensation. I agree that £350 is a significant sum, and is appropriate to address both the impaired usage of the car, and the distress and inconvenience caused.

Putting things right

To put things right, Autolend must:

1. (a) ensure repairs are within one calendar month of being notified that Mr P has accepted my decision (should he choose to do so), at its own expense, and settling the cost directly with the repairing garage; and/or
(b) if these repairs are not carried out in this time, or if they fail, rejection must be allowed; and
2. in either scenario 1(a) or 1(b) above, Mr P must be paid £350 compensation.

For the avoidance of doubt, 'rejection' here means the following:

- refunding Mr P's deposit/part-exchange value (if any) in full, adding 8% simple interest a year, from the date of payment to the date of settlement;
- collecting the car at no cost to Mr P, with no further monthly repayments outstanding; and
- marking the agreement as settled on his credit file, and ensuring there's no adverse information recorded about it.

My final decision

For the reasons given above, it's my final decision to uphold this complaint. I require Lendable Ltd trading as Autolend to take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 May 2025.

Elsbeth Wood
Ombudsman