

## **The complaint**

Miss W is unhappy that a car supplied to her under a hire purchase agreement with Lendable Limited t/a Autolend (Lendable) was of an unsatisfactory quality.

When I refer to what Miss W has said and what Lendable have said, it should also be taken to include things said on their behalf.

## **What happened**

On 29 September 2024 Miss W was supplied a car via a hire purchase agreement by Lendable. The car was around nine years old and had travelled 87,996 miles. The price of the car was £5,949. Miss W paid a deposit of £155 and 59 monthly payments of £215.20, followed by a payment of £206.88 and a £25 option to purchase fee.

Shortly after purchase Miss W experienced an issue with the brakes on the car. As the supplying dealer was some distance away it was agreed that they would pay half towards the repair of the brakes. Whilst the brakes were being repaired the repairing garage advised that the timing chain required repairing. Miss W raised this with the supplying garage, but they stated that they needed to investigate the matter and inspect the car.

As Miss W was unhappy with this response she complained to Lendable. The file has a series of communications between Miss W and Lendable. Miss W's initial desire was for the car to be repaired partly driven by the inconvenience of securing a new vehicle and partly by the need to purchase a new car via credit with no guarantee that she would be accepted.

Lendable wrote to Miss W on 22 November 2024 with a holding response but one that clarified that as they would not be able to resolve the matter within eight weeks she was able to complain to us, which she did.

Their final letter to Miss W was sent 5 December 2024. They upheld Miss W's complaint but felt that the cost of the repair made that resolution uneconomical. In upholding the complaint, they offered to unwind the agreement and:

- Amend Miss W's credit report to good standing if she had missed payments,
- Cancel her direct debit,
- Calculate a refund due to Miss W.

Miss W accepted the rejection of the car on 9 December 2025 but also wanted refunds for the amount that she was out of pocket in relation to repairs and diagnostic work carried out.

On 24 December 2024 our investigator issued their decision. They upheld Miss W's complaint, primarily as they felt that there was general consensus that the car was not of unsatisfactory quality. Whilst Lendable had agreed to unwind the agreement their response did not cover any additional costs incurred by Miss W. In upholding the complaint they directed Lendable to:

- End the agreement with nothing to pay,

- Collect the car with nothing further to pay,
- Refund the deposit,
- Refund monthly payments from 27 September 2025,
- Refund, on production of receipts, all Miss W's additional costs (this was covered in the text of the decision but covers the diagnostic and repair of the brakes, and work done on the timing chain until decided that it was uneconomical to repair),
- Pay 8% simple yearly interest from the date of payment to the date of settlement,
- Pay a sum of £150 in compensation,
- Remove any adverse comments on Miss W's credit file in relation to the agreement.

Lendable responded on 7 January 2025 questioning why the investigator had upheld the complaint when they had already upheld Miss W's complaint and agreed to unwind the agreement and calculate a refund.

Our investigator responded on 9 January 2025 that as Lendable's response had not covered the additional expenses nor any compensation for distress they upheld Miss W's complaint.

On 28 January 2025 they responded to the investigator asking them to consider alleged damage to the rear bumper and lights, which had a quote of £545.36 to repair. Our investigator responded on 29 January 2025 that as this was a separate matter to the complaint, Lendable would have to take the matter up with Miss W and they were unable to consider it.

As Lendable have not agreed to the investigator's decision it has been passed to me to consider.

### **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 this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Miss W was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) is of particular relevance 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". The CRA 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. So it seems likely that in a case involving a vehicle, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says 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. Where goods are second hand, as in this case, due regard must be had to the price, age and any description applied to the vehicle.

So, if I thought the vehicle was faulty or not fit for purpose when Miss W took possession of it and this made the vehicle not of a satisfactory quality, it'd be fair and reasonable to ask Lendable to put this right.

In considering this case I firstly need to decide whether there is a fault with the car that would make it of unsatisfactory quality.

Miss W was supplied with a nine year old car that had travelled 87,996 miles. So its fair to conclude that the car would have been subject to a reasonable amount of fair wear and tear, meaning the bar for concluding that this car was unsatisfactory quality is high.

That said I have to take into account how quickly after supply any fault occurred, the nature of the fault and any response from Lendable. Miss W states that shortly after supply she experienced problems with the car, namely the brakes. I can see that the fault was diagnosed by an independent garage on 27 September 2025 as needing the Dynamic Stability Control (DSC) being replaced and this was completed and invoiced on 9 October 2025. The mileage at the time was 88,435. Miss W had travelled less that 500 miles and had the car for just over a week when the fault occurred.

During the repair work on the DSC a problem with the timing chain was discovered and I can further see from an invoice dated 14 November 2024 that the engine would require considerable work as it was needed to be rebuilt.

These faults may well be commensurate with a car of the age and mileage but given they occurred so closely to supply it would be up to Lendable to prove that was the case. Their final letter to Miss W was sent 5 December 2024. They upheld Miss W's complaint but felt that the cost of the repair made that resolution uneconomical. In upholding the complaint, they offered to unwind the agreement and:

- Amend Miss W's credit report to good standing if she had missed payments,
- Cancel her direct debit,
- Calculate a refund due to Miss W.

So taking into account the nature of the faults, how quickly after supply they occurred and the fact that Lendable have upheld Miss W's complaint I am happy to conclude that, on the balance of probabilities, the car is of unsatisfactory quality.

I understand from Miss W that the car was collected on 17 December 2024. If that isn't the case Lendable should collect the car without anything further to pay by Lendable. Lendable have offered to:

- Amend Miss W's credit report to good standing if she had missed payments,
- Cancel her direct debit,
- Calculate a refund due to Miss W.

This means that they should end the agreement without anything further to pay by Miss W if they have not already done so.

In terms of any refund this should include:

- Any payments made by Miss W from the 27 September 2024, when she ceased to use the car,
- Pay £66 for the diagnostic report on the DSC paid on 27 September 2024,
- Pay £387 for half the invoice cost of repairing the DSC paid on invoice dated 9 October 2024,
- Pay £538.79 for the investigation work related to the timing chain and engine rebuild on invoice dated 14 November 2024.

I need to consider whether Miss W is entitled to any compensation for stress and inconvenience caused by being supplied a faulty car. Miss W has explained that this has impacted on her and caused anxiety and loss of sleep. That said Lendable did uphold her complaint reasonably quickly and offered to unwind. For those reasons I believe that the figure of £150 suggested by the investigator is reasonable.

Regarding any alleged damage caused to the car whilst in Miss W's possession. This is a separate issue to Miss W's rights under the CRA and Lendable would need to address the matter directly with Miss W and therefore has had no bearing on my decision.

I uphold this complaint.

### **Putting things right**

I uphold Miss W's complaint against Lendable and to put things right they need to:

- If not already done so end the agreement with nothing to pay,
- If not already done so collect the car with nothing further to pay,
- Refund the deposit £155,
- Refund monthly payments from 27 September 2025,
- Refund, on production of receipts, all Miss W's additional costs totaling £991.79 (on invoices dates 27 September 2024, 9 October 2024 and 14 November 2024),
- Pay 8% simple yearly interest from the date of payment to the date of settlement,
- Pay a sum of £150 in compensation,
- Remove any adverse comments on Miss W's credit file in relation to the agreement
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### **My final decision**

My decision is that I do uphold this case against Lendable Limited t/a Autolend. In order to settle this case they are directed to follow the redress above

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 7 October 2025.

Leon Livermore  
**Ombudsman**