

The complaint

Mr A complains about the quality of a used car he acquired through a hire purchase agreement with Lendable Ltd trading as Autolend ('Autolend'). Mr A says that the car has been faulty from an early point after he started to use it. Because of this, Mr A says that he would like to reject the car or receive compensation.

What happened

Mr A's complaint is about the quality of a car he acquired in August 2023. The car was used, and it was first registered in March 2015. So, it was eight years old when Mr A received it. It had covered 87,112 miles.

Mr A acquired the car using a hire purchase agreement that was started in August 2023. The vehicle had a retail price of £5,999 and all of this was financed. This agreement was to be repaid through 54 monthly instalments, there were 53 monthly repayments of £193.39 and then a final instalment of £207.08. There was also an option to purchase fee of £25 at the end of the agreement, if Mr A wanted to purchase the car. If Mr A made repayments in line with the credit agreement, he would need to repay a total of £10,481.75.

Mr A has complained to Autolend about the quality of the car. Autolend considered this complaint and it didn't uphold it. It said that the car had some faults, that were likely present at the time of sale. But it understood that the car had been satisfactorily repaired by the dealership, and so it didn't need to take any further action.

Mr A didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator upheld Mr A's complaint. She said that the evidence she had seen shows that the car had persistent coolant system problems and this was evident from very shortly after the time Mr A had started using the car. This wasn't properly repaired by the dealership. Mr A had the car repaired himself, and so Autolend should pay for the repair, plus the costs of the diagnostics that Mr A had completed, including an independent report and some compensation for the distress and inconvenience this would have caused him.

Autolend didn't agree with the Investigator. It said that it didn't think the correspondence between the dealership and the broker, in November 2023, was evidence of continuing coolant problems with the car. And it said the independent report concluded that the problems with the car were due to ordinary wear and tear and Mr A's use of the vehicle. It did not consider it was liable for the repairs.

There was some further correspondence, but no new issues were raised. Autolend hasn't provided any detail about what was repaired earlier with the car. Because Autolend didn't agree, 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.

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.

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 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.

This car was over eight years old when Mr A acquired it and it had travelled around 87,000 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 A should have been able to use it for a reasonable period of time before it needed significant work.

Was there a fault with the car

I think it's established that the vehicle had a problem with the coolant system, and this may have damaged another part of the engine, the head gasket. There isn't a dispute about this.

The crux of the complaint is whether this problem was present or developing at the time of sale, or within six months of the sale. This would mean that, under the provisions of the CRA, there is an assumption that the car had this fault when supplied and Autolend, as the supplier of the car and finance provider, would be responsible to put it right.

It's worth noting that the information about what work has been completed on the car is not complete. Autolend, Mr A and our Investigator, have requested job sheets and or invoices from the dealership but it has not been able to provide this. That said, I do think I have enough evidence to fairly decide the case.

What happened with the car and was it of satisfactory quality

In October 2023, the car broke down. The recovery report shows that this was due to a faulty, or used, battery. Mr A took the car to the dealership following the breakdown. The job sheets or invoices from the work the dealership did at this point have not been supplied but

Mr A has provided a copy of an email from the broker that was sent in November 2023 to him which says:

'the dealership has cleaned out the coolant tank as it had oil in it. They have advised you monitor this and get in touch if you see evidence of an oil leak or see oil in the coolant tank.'

I agree that this correspondence shows that there were problems, or suspected problems, with the coolant system as it had oil in it and was cleaned. And that the dealership had done some work on it because of these problems, and Mr A was asked to monitor it. This was within six months of the time of supply. Mr A has said there have been consistent problems with oil contamination in the coolant.

Mr A did monitor this, and he said there were problems with the coolant system again in April 2024. he contacted the dealership saying *'so the car is not smoking but the coolant is looking dark again'*. I understand the car was taken to the dealership and repaired (I've not been provided with details about this). And Mr A confirmed in May 2024 that the car was working as expected.

Mr A started experiencing issues with the car again in August 2024 and he took it to a third party garage. The diagnostic from this garage says that:

*' Found coolant to be leaking from pipe which is broken which goes from the thermostat housing around to the throttle body
Also to be leaking from the thermostat housing on the side on the head. Requires both parts to rectify coolant loss.'*

Mr A has also provided an independent report from October 2024 which says:

'we can confirm the vehicle does appear to have a coolant leak from the water pump area, this can result in vehicle running at elevated temperatures resulting in a breach of the cylinder head gasket. There was early stages of cross contamination within the cooling system expansion tank suggestion that the cylinder head gasket is no very early stages of breaching almost certainly caused by the cooling system leak.'

But the report also says that it wasn't unusual for problems such as this to occur in older cars and it concluded that:

'due to lack of documentary evidence provided, as well as no evidence of any works being undertaken has lead us to conclude that vehicle owner would be responsible for the repair costs.'

Mr A has provided a copy of an invoice from November 2024 from a third party garage which confirms he paid £434.21 for the coolant system repairs. He also provided an email from November 2024 from the repairing garage who confirmed:

*'I can confirm we changed a heater hose thermostat housing and a further small bore hose that push fits into the thermostat housing and a plastic hose connecting the heater hose to the matrix (push fit).
These were replaced on 05/11/2024
We inspected the vehicle the following day after suspecting further coolant loss and noticed a further leakage from the oil cooler area as described and estimate generated for yourself.'*

Mr A has now confirmed that the car is fully repaired and working as expected.

Given all of this I think it's reasonable to say that the car had some form of coolant system problem very soon after the time Mr A acquired it. I think the conversation between the broker and Mr A is evidence of this. And the information from Mr A, the independent reporting company, and the garage that finally repaired the car, show that this problem had persisted throughout the time that Mr A has used the car.

The dealership has had several opportunities to repair this, but has been unable to do this to a satisfactory quality. I think it's reasonable that Autolend now pays for the repairs that Mr A undertook himself using a third party garage.

I have taken on board that the independent report said that the problems could be due to ordinary wear and tear. But it also said that it reached this conclusion after having being provided with no documentary evidence of any previous work. So, it does not seem to have considered that Mr A made the dealership aware of these problems at a very early stage in his ownership. I think if it had been provided with more of the history of what had happened with the car its conclusions may well have been different.

Mr A was inconvenienced on several occasions by having to take the car back and forth to the garage and the dealership. I can also imagine it would have been very frustrating and stressful for the problems to keep re-occurring as they did. So, I think the £150 suggested by our investigator for the distress and inconvenience he experienced is fair.

Having considered everything I don't think this car was of satisfactory quality and I agree that Autolend should pay for the diagnostic and repair costs that Mr A incurred putting the car right.

Putting things right

I uphold this complaint against Lendable Limited trading as Autolend and tell it to:

- Refund the £434.21 cost of repair for the coolant leak.
- Refund the £60 diagnostic cost.
- Refund the independent report cost of £195.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- Pay £150 for the distress and inconvenience caused.

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 A how much it's taken off. It should also give Mr A 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 uphold Mr A's complaint.

Lendable Limited 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 A to accept or reject my decision before 29 August 2025.

Andy Burlinson
Ombudsman

