

## **The complaint**

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

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

## **What happened**

Miss H was supplied a car by Lendable on 18 October 2024 under a hire purchase agreement. The total cost of the car was £21,036.33. Miss H paid a deposit of £1,036.33 followed by 60 monthly payments of £562.53 and a final option to purchase payment of £25. At the time of supply the car had travelled 58,938 miles and was first registered in May 2019, meaning that the car was over five years old at the time of supply.

Shortly after being supplied the car Miss H experienced problems with it and she returned it to the supplying dealership. Her partner, who worked at the dealership undertook a diagnostic and it identified a number of faults that needed correcting. These are set out on both a technician's card and a job card. The faults included replacing sensors, cold air intake and clean/check an oil leak amongst other things.

It is unclear as to what action was taken after the diagnostic but Miss H complained to Lendable on 15 January 2025 and they issued their final response on 7 February 2025. Whilst setting out that they had not received sufficient evidence to decide whether the car supplied was of satisfactory quality they upheld her complaint, as the dealer had indicated that they were willing to help Miss H. As Miss H indicated that she wanted a repair they agreed to that being the appropriate solution and confirmed that the dealer had already ordered the parts and that it was booked in for 12 February 2025.

When Miss H took the car in for repair, she was informed that they needed to keep the car for longer as they had not completed the repair and required more time to undertake the diagnosis. As Miss H was unhappy, she complained to us.

On 26 March 2025 the investigator issued their opinion. They upheld Miss H's complaint. They felt that there was acceptance by both parties that there was a fault with the car and had agreed to repair at no cost to Miss H. Our investigator concluded that the fault did make the car of unsatisfactory quality. They further explained that as Lendable had confirmed that the car as booked in for the 12 February 2025 and the parts had been ordered in readiness for that the fact the repair was not successfully concluded meant that Lendable had been given reasonable chance to repair. In order to put the matter right they directed Lendable to:

- End the agreement with nothing further to pay,
- Collect the car from Miss H,
- Refund Miss H's deposit of £1,036
- Refund all payments from 15 January 2025 until settlement,
- Pay 8% simple interest from date of payment to date of settlement,
- Pay £250 compensation,

- Remove any adverse information in relation to this agreement.

Lendable did not agree with the decision and they claimed that Miss H had been obstructive in allowing the dealer to repair the car. The dealer was still more than willing to repair the car and felt that it would be unfair to unwind the agreement. The parts had been ordered by Miss H's partner when he worked for the dealer.

Our investigator did not agree and felt that the dealer/Lendable had been given more than enough opportunity to repair the car. In particular they referred to an email between the dealer and Miss H on 14 February that contradicted this statement and confirmed that no parts had been ordered.

The email included the following "The vehicle has not been fully diagnosed as of yet. I have advised X(Miss H's partner) that if the car has to be taken offsite today we would need to arrange a future appointment or if the car can be left with us we will aim to have a full diagnosis early next week. We have not ordered any parts as of yet."

As Lendable did not agree with this decision it has been referred to me.

### **What I've decided – and why**

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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 H 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 H 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.

The CRA sets out some key dates post contract with regards the burden of proof in relation to the goods being of unsatisfactory quality. The CRA gives the consumer the automatic right to reject if the goods are not of satisfactory quality and that fault is discovered within 30 days. After that period but before six months the burden of proof is on the business to show

that the faults were not present at supply and the goods are of satisfactory quality. After six months the burden of proof then resides with the consumer.

There are two key issues that I need to consider and come to a decision on in order to resolve this complaint. My decision will be based on the evidence as presented to me and on the balance of probabilities. The two issues are firstly is the car supplied to Miss H faulty and does that fault render the car not of satisfactory quality. The second issue is then whether Lendable have had a reasonable chance to repair the car.

I am content that there is an accepted fault with the car. Lendable in upholding Miss H's complaint did state that there wasn't sufficient evidence for them to decide if the car was of satisfactory quality, but the dealer wanted to help Miss H, a clear indication that there is a problem with the car. When the investigator issued their view of the case Lendable didn't agree with the decision. They did not challenge whether the car was of satisfactory quality or not but did challenge the decision to unwind the agreement as the dealer "still want to have appropriate time to put the vehicle right". Again, this is a clear acceptance that there is an issue with the car. As the fault happened so close to supply the onus would be on Lendable to show that the car was of satisfactory quality and they have provided no compelling evidence that this is the case.

Sections 23 and 24 of the CRA provides more detail on how the right to repair can be exercised and what requirements are placed upon the business. Also when the consumer can exercise their right to reject after the repair. In addition to bearing any cost Lendable must do so within a reasonable time and without significant inconvenience to the consumer. The consumer can only exercise their right to reject once the trader has delivered goods to the consumer, or made goods available to the consumer, in response to the request or agreement.

So I need to consider whether Lendable, in responding to Miss H's request for a repair did so within a reasonable period of time and without significant inconvenience to the consumer.

As I said I believe that the car is of unsatisfactory quality and as these faults occurred within 30 days of supply Miss H would have had the right to reject the car at that stage. Indeed Lendable's initial submission to us confirmed that Miss H had complained within the 30 days and "This means that the customer could reject the vehicle if the opportunity to repair fails".

The initial diagnosis was undertaken by Miss H's partner who worked at the supplying garage at the time but who left the dealership shortly after undertaking the diagnosis. This does complicated the issue but what is clear is that there is a fault with the car and there are two key pieces of evidence from November 2024 that support this.

One is an undated technicians card from around this time that shows a number of faults, these being:

- Advise replacing water temp sensor
- Advise replacing swirl flap sensor
- Replace cold air intake
- Clean and check oil leak in one week.

The second is a job card dated 6 November 2024 as the dated booked in and 18 November 2024 as the date of the job. This has parts priced up on it including the inlet manifold and cold air intake.

There is no dispute over these two documents as both parties have submitted them in evidence.

Lendable's argument is that the dealership is still prepared to repair the car but they have not been given a reasonable opportunity to do so. Having agreed to a repair as a suitable outcome Miss H is required to allow Lendable a reasonable chance to carry out that repair.

So have Lendable been given a reasonable chance to repair the car. Lendable's argument is that the dealership has not been given a reasonable opportunity, when the car was returned to Miss H the dealership was clear that they required to keep the car for further diagnosis. They also pointed out that the diagnosis and parts ordered was done so by Miss H's partner. They also stated from the dealership that Miss H had not returned any of their telephone calls when they tried to contact her to arrange repair. This is a fact that is disputed by Miss H.

Lendable in their final response to Miss H when upholding her complaint clearly stated that the dealership had ordered all the parts to complete the repair. This is contradicted in an email to Miss H when the dealership wished to keep the car for further diagnosis on 14 February 2024 which stated "We have not ordered any parts as of yet".

On 13 March 2025 Lendable provided the following information from the supplying dealer. They confirmed that they had fitted the new airbox in February but that did not switch the engine management light off. They requested that they be left the car so that they could investigate and find the correct reason for the fault. But they state that this was refused by Miss H. Their view is that they do accept liability but they do not believe that they have been given a reasonable chance to complete the repair.

On 10 July 2025 we asked Lendable to provide evidence of what work was carried out when the car went in for repair, such as the repair invoice. In the response from both Lendable and the supplying dealer they simply forwarded the technicians report and job card from November 2024 as referenced above and provided no documentation relating to the February repair.

Whilst I am very clear that the car is of unsatisfactory quality it is more of a balanced decision as to whether Lendable have been given a reasonable opportunity to repair the car. In essence they are seeking to rely on the provisions of Sections 23 and 24 of the CRA in the fact that they had not made the car available to Miss H at the end of the repair.

However, on the balance of probabilities I do find that Lendable and the supplying dealer have been given a reasonable opportunity to repair the car and as the repair was not effective Miss H does have the right to reject the car. The basis for this is that:

- because the fault occurred within the first 30 days of supply Miss H would have had the automatic right to reject but agreed to a repair,
- for whatever reason Miss H had to complain to Lendable to get the repair sorted,
- in upholding Miss H's complaint Lendable clearly stated that all the parts had been ordered to complete the repair,
- the supplying dealership had not ordered all the parts so could not complete on the day of the repair this was confirmed in an email to Miss H where they stated that no parts had been ordered,
- when asked to provide evidence of what repairs had actually taken place when the car was taken in for repair Lendable simply provided the technicians and job cards from November 2024 and nothing from February 2025.

My decision is that I do uphold this case.

Miss H has the right to reject the car and the car should be collected with nothing further to pay. Miss H should not pay for when she hasn't had use of the car and my understanding is that it has been off the road since 15 January 2025. As she is rejecting the car she is entitled to a refund of her deposit. As for the matter of compensation our investigator suggested a figure of £250 and this does seem reasonable for the inconvenience caused by being supplied a faulty car.

### **Putting things right**

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

- End the agreement with nothing further to pay,
- Collect the car from Miss H with nothing further to pay by Miss H,
- Refund Miss H's deposit of £1,036
- Refund all payments from 15 January 2025 until settlement,
- Pay 8% simple annual interest from date of payment to date of settlement,
- Pay £250 compensation,
- Remove any adverse information in relation to this agreement.
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### **My final decision**

My decision is that I do uphold this case against Lendable Ltd. 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 H to accept or reject my decision before 18 November 2025.

Leon Livermore  
**Ombudsman**