

The complaint

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

What happened

On 16 October 2024, Mr B entered into a finance agreement with Autolend, for a used car. However, in January 2025 he contacted Autolend to say he'd discovered the vehicle had previously been in an accident, and that hadn't been disclosed to him. He also reported a number of faults with the vehicle.

Autolend contacted the dealership, and it looked into things. Although it didn't advise what it had found out, it did accept rejection of the car, and also refunded the deposit.

Autolend then wrote to Mr B with its final response letter. It said that it was keeping the three monthly repayments Mr B had made, as they represented fair usage of the vehicle, given he'd driven it 6,996 miles in the time he'd had it. This was on the basis that there was an agreed mileage limit in the agreement, and (on a pro rata basis) there was an excess mileage of 4,496 miles. Autolend said Mr B would be charged £449.60 for the excess mileage, at 10p per mile as per the terms and conditions. It reduced this by removing £150, which represented compensation for the time it had taken it to resolve the complaint, and for the distress and inconvenience caused.

Mr B then complained to our service. He feels it was unfair for Autolend to break down his agreed usage in this way – as it may have balanced out over the rest of the year. He doesn't feel it's fair for him to be charged, given the car's been rejected.

One of our investigators looked into what had happened. He felt the mileage calculation was fair, and that it was reasonable Mr B should pay for usage. He also thought that £150 compensation for fair for the distress and inconvenience caused. However, he could see that when the dealership had refunded the deposit, it hadn't added any interest. So, he thought Autolend should pay this, from the date Mr B had paid it, to the date the dealership had refunded him.

Mr B disagreed and feels the remedy is unfair, as it estimates his annual mileage, and doesn't reflect the distress and inconvenience he went through to get things sorted out.

Autolend also disagreed. It said Mr B had a responsibility to complete his own due diligence about the vehicle's condition before accepting it, and that he had full use of it prior to it being rejected.

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.

Given rejection of the car was accepted, I think it's fair to assume that Mr B's concerns about the car were well-founded. So, a refund of his deposit was appropriate. And, this should also include interest. This is to represent him having been without funds he should have had – as he paid a deposit for a car that wasn't of satisfactory quality.

I also think Autolend should pay Mr B compensation for the distress and inconvenience caused. The amount isn't an exact science, but I can see that Mr B has had to go to-and-fro sorting things out. There were also delays when dealing with Autolend, which it accepts. So, I think the compensation should be increased by £100, to a total of £250.

As regards the charge for fair usage and excess mileage, I consider this to be reasonable. Mr B had full use of the car, and the mileage is high. I don't think it's inherently unfair that Autolend charge for this on a pro rata basis.

Finally, I've considered Autolend's submission that Mr B should have carried out his own due diligence. This is without any merit. Mr B should have been provided with a car of satisfactory quality – and was not.

Putting things right

To put things right, Autolend should:

- pay Mr B 8% simple interest a year on his deposit, from the date he paid it, to the date the dealership refunded it; and
- pay him a total of £250 compensation, which it may deduct from any outstanding sums due.

My final decision

It's my final decision that to put things right, Lendable Ltd trading as Autolend must 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 B to accept or reject my decision before 8 December 2025.

Elspeth Wood
Ombudsman