

The complaint

Miss B complains that the car she acquired through Lendable Ltd, trading as Autolend, wasn't of satisfactory quality. She's unhappy with the way in which Lendable has proposed to settle her complaint.

What happened

Miss B entered into a hire purchase agreement in January 2025 to acquire a used car. The cash price of the car was £11,594 and taking into account the advanced payment, the amount of credit provided was £11,294. The total repayable was £15,102.09 and was to be repaid through the credit agreement which was set up over a 44-month term with monthly payments of £343.77. At the time of acquisition, the car had already been driven more than 81,000 miles and was nearly eleven years old.

Miss B told us:

- She discovered multiple serious issues with the car shortly after acquiring it, and it needs significant repairs;
- a local garage has also looked at the car and identified further faults with it;
- the faults include, but are not limited to; spark plug replacements; a missing catalytic converter; a stage 1 remap; a fuel leak; issues with the validity of the MOT; splitting wishbone brushes; brake fluid change required;
- she wants Lendable to reimburse her the costs she's already incurred and pay for future repairs; or alternatively cancel the finance agreement but permit her to keep the car.

Lendable noted that it had not been given independent evidence to support all the faults claimed of by Miss B, and it hadn't been given any evidence of the costs she said she'd incurred. But it said it had reviewed the service records she'd provided and was willing to uphold her complaint in respect of the faulty sensors and the unverified missing catalytic converter.

Lendable said that when the complaint had first been raised, the broker and the supplying dealership offered to have the faults repaired and also agreed to cover the cost of collecting and returning the car to minimise disruption to Miss B. It said an offer to cancel the agreement and accept rejection of the car was also proposed, and it explained that rejection of the car would also involve refunding Miss B's payments, less a deduction for fair usage. But it noted that Miss B had rejected both of these options resulting in 'deadlock'; Lendable said that it, the broker, and the supplying dealership had been prevented by Miss B from fulfilling their obligations under the Consumer Rights Act 2015.

Lendable indicated that a distress and inconvenience payment may be due, but it said it could only calculate this once the car had been repaired and returned, or after the car had been rejected and collected.

Lendable also said that Miss B had complained about a discrepancy between the amount financed - £11,294 – and the advertised sales price of the car – £10,995. It explained that

this difference of £299 was a result of an additional product that Miss B had purchased through the broker and had been added to the finance arrangement at her request.

Lendable told this Service that while *“there is evidence of some faults such as the parking sensors, key issues such as the catalytic converter removal and independent repair costs have not been supported by appropriate documentary evidence”*. It said that from the outset, all parties had repeatedly offered remedies in line with the Consumer Rights Act 2015; repair the car free of charge or the unwinding of the agreement in full and rejection of the car. But Miss B had rejected these offers, and insisted on either a main dealer repair, which wasn't reasonable bearing in mind the car's age and the mileage driven, or the cancelling of the credit agreement with her permitted to retain the car.

Our investigator looked at this complaint and said she didn't think it should be upheld, and she explained the relevance of the Consumer Rights Act 2015 in the circumstances of this complaint. She acknowledged that there appeared to be a number of faults and issues with the car and said there didn't seem to be any dispute about the satisfactory quality of the car at the point of supply.

Our Investigator said that Lendable's proposals to resolve the complaint were both fair and reasonable, and in line with the approach that our Service would expect, and that the counter proposals put forward by Miss B were not options that were available under the law.

Miss B disagrees so the complaint comes to me to decide.

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 agree with our investigator – I don't think this complaint should be upheld – and I'll explain why.

I hope that Miss B won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Miss B should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Miss B is a regulated consumer credit agreement this Service is able to consider complaints relating to it. Lendable is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 (“CRA”) there is an implied term that when goods are supplied “the quality of the goods is satisfactory”. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that 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 can be aspects of the quality of the goods. So,

what I need to consider in this case is whether the car *supplied* to Miss B was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Lendable can show otherwise. But, if the fault is identified after the first six months, then it's for Miss B to show the fault was present when she first acquired the car. So, if I thought the car was faulty when Miss B took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Lendable to put this right.

I don't think there's any dispute that Miss B has experienced significant problems with the car. That has been well evidenced by both her testimony and the information she's sent us, along with the findings of the garage that she first consulted. But I understand that the supplying dealership accepted liability at the outset, and it offered to repair the car or accept its full rejection. Because parties appear to accept that the car was not of satisfactory quality when supplied, I don't need to make any findings about this.

Miss B says she wants the credit agreement cancelling but that she'd like to keep the car. But I have to tell Miss B that this isn't how these things work. When the car supplied is not of satisfactory quality, the resolution is that the supplying dealership is afforded an opportunity to repair the faults. And it gets one opportunity to repair all faults, not one opportunity to repair each fault.

In the event that the repairs fail, or further faults are identified, we then look to place the consumer in the position they would've been in if they hadn't been sold the faulty car. What this means in practice is the unwinding of the finance agreement, the return of monthly payments and any deposit as well as the return of the car to the supplying dealership – so that to all intents and purposes, it's as if the contract was never entered into.

In this particular case, the two remedies proposed by Lendable are both fair and reasonable, and in line with the approach I'd expect for this type of complaint. So I'm not going to ask Lendable to do, or offer, anything further. It's now for Miss B to decide if she wishes to accept one of Lendable proposals to settle this complaint. And if she does, she should get in touch with Lendable directly.

I know Miss B will be disappointed with this decision, but I hope she understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 13 November 2025.

Andrew Macnamara
Ombudsman