DRN-5692430

The complaint

Miss B complains about problems she has had with a car Lendable Ltd supplied to her under a hire purchase agreement.

What happened

The facts of this case are familiar to both sides, so I don't intend to repeat them again in detail here. Instead, I'll provide a summary.

Miss B entered into a hire purchase agreement with Lendable in April 2024 to purchase a used car. The cash price of the car was £9,100. This was funded by a deposit of £100 and finance of £9,000. The total amount due under the agreement, including interest and charges, was £15,385.09. This was to be repaid through 59 monthly instalments of £254.17, followed by a final instalment of £264.06 (plus a £25 Purchase Fee should Miss B wish to purchase the vehicle.

After around three weeks of taking ownership of the vehicle, Miss B noticed several warning lights – including the engine and AdBlue warning lights - illuminating on the dashboard.

Miss B contacted Lendable at this time to express her wish to *pull out of the finance* [due to] *a number of faults with the car.* In doing so, she asked for information about fees she would need to pay if she opted out of the agreement.

In response, Lendable said it would raise a cancellation request on the account, but it went on to say:

…the 14-day cooling off period applies to the finance and loan agreement therefore, you are able to cancel your loan agreement and return the funds to us.

The vehicle, as stated in your loan agreement, is a separate purchase and would be covered via the Consumer Rights Act 2015 [which] *states that should the vehicle be faulty within the first 30 days, you hold the right to either opt for a repair or a rejection.*

The dealership is not required to accept a rejection unless there is a fault. That being said, you are able to contact them to discuss a buy-back, or you can sell the vehicle privately to obtain the funds if this is not readily available to you.

Miss B contacted the selling dealership (Business J) who agreed to collect the vehicle and investigate the problem. A few days later, Miss B received the vehicle back and she noted the warning lights were no longer illuminating. I understand Business J confirmed a repair to (or replacement of) the knock sensor and a software update were carried out. Although – as far I am aware – no documentary evidence of the works undertaken has been provided despite Miss B requesting this.

In December 2024, the car stopped working. Miss B says she noticed fluid and battery warning lights illuminating on the dashboard. Miss B says that because the car *didn't come to a stop quickly or there had been no warning lights prior to this, that this had something to*

do with the AdBlue. It is my understanding that Miss B has been unable to drive the car since this time.

Miss B contacted Lendable to complain about the quality of the car. Miss B expressed her desired outcome would be to return the car and be released from the finance agreement.

In January 2025, Lendable issued its final response in which it did not uphold Miss B's complaint because it had *not received evidence or information* [to] *determine whether the fault was likely present or developing at the point of sale.* It invited Miss B to supply further information, upon receipt of which, it would re-open the complaint.

Miss B arranged for an independent inspection of the vehicle to be undertaken by a firm I'll call 'Business A'. The inspection was carried out in February 2025. Miss B submitted this report to Lendable who advised its position remained unchanged because Business A's *report cannot conclude that the vehicle has suffered a failed repair, but any current fault…would not have been present or developing at the point of sale.* Therefore, Lendable said it *cannot accept a rejection or repair*.

Unhappy with this, Miss B referred her complaint to our service. One of our investigators looked into what had happened and, in March 2025, issued their findings. In short, our investigator said *Lendable Ltd should have accepted the rejection once it was evident that there was a fault with the vehicle within the first 30 days*. Our investigator went on to say that [they could] *see that the initial issues caused* [Miss B] *inconvenience as she continued to request evidence of the faults which were not received, as well as trying to reject a faulty vehicle which wasn't accepted.* As a result, our investigator recommended Lendable pay Miss B £250 compensation.

Neither party agreed with our investigator's findings. In doing so, Miss B in particular provided detailed reasons why, alongside substantial documentation. This included, but was not limited to, findings from another mechanic from a firm I'll call 'Business E'.

As a result, our investigator reviewed matters again and, in May 2025, issued a second set of findings in which they said their view about how the complaint should be resolved remained unchanged. This being that Lendable should pay Miss B £250 compensation.

Lendable accepted our investigators second set of findings. Miss B did not accept what our investigator had said. And, as an agreement couldn't be reached, the complaint has been passed to me to review afresh.

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 think Lendable should pay £250 compensation to resolve this complaint. However, I don't think Lendable needs to accept rejection of the vehicle. I know this will come as a disappointment to Miss B, but I'll explain why I think this is a fair outcome in the circumstances.

However, before I do, I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied

I don’t need to comment on every individual argument or piece of evidence to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I’ve got is incomplete, unclear or contradictory, I’ve based my decision on the balance of probabilities.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Lendable was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The Consumer Rights Act 2015 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 car, 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 Consumer Rights Act 2015 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 can be aspects of the quality of goods.

Lendable did not supply Miss B with a new car here. The car was around four and half years old and had travelled just under 96,700 miles at the point of supply. And while it was certainly not an inexpensive car – the price was a good deal less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users.

In other words, there’s a greater risk this car might need repair and/or maintenance sooner than a car which wasn’t as road-worn.

I don’t think there’s any dispute that Miss B has experienced problems with the car. This has been well evidenced by, amongst other things, Miss B’s detailed testimony, the report from Business A and the information provided by Business E. Indeed, having noted the engine and AdBlue warning light illuminating on her dashboard, the vehicle was returned to the selling dealership who, as far as I am aware, identified issues with the knock sensor and it noted the vehicle required a software update.

But the simple existence of faults in itself isn’t enough to hold Lendable responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply.

Bearing in mind its temporal proximity to the purchase date, it seems likely the issues Miss B identified in April 2024 were present or developing at the point of sale.

Under the Consumer Rights Act 2015 a consumer has a short-term right to reject goods not conforming to contract within 30 days. The requirement under the Act is that the right to reject is exercised if the consumer indicates to the trader that the consumer is rejecting the

goods and treating the contract as at an end. The indication may be something the consumer says or does, but it must be clear enough to be understood by the trader.

I note Miss B did contact Lendable within 30 days to express her desire to *pull out of the finance* due to the *number of faults with the car.* The nature of the issues might fall some way short of entitling her to do so but, in any event, Miss B appeared to be willing to allow repairs to take place through Business J. And, having agreed to a repair, Miss B was no longer able to exercise any right to reject the car, other than if that repair failed to ensure the car conformed to contract, or the repair wasn't carried out within a reasonable amount of time.

It is regrettable that no further information about the nature of the repairs which were carried out – such as invoices or job cards - has been forthcoming. However, I can see that the car was returned to Miss B a couple of days after it was sent in for repairs - at which point the warning lights were no longer illuminating on the dashboard. Further, it is my understanding that Miss B drove the vehicle without issue until it broke down around eight months later in December 2024. At this point, Miss B had driven the vehicle approximately 11,000 miles.

The suggestion seems to be that during the repairs in April 2024 the AdBlue system was tampered with to prevent the warning light appearing. Here, I turn to the expert evidence.

The report from Business A states *there was no evidence of tampering and the AdBlue injector was in place.* I note the report contains the question *Has the AdBlue been illegally turned off?* To which the mechanic says *Due to the condition of the vehicle at the time of our inspection we were unable to determine this specific quest*. Depending on whether the AdBlue being 'illegally turned off' was considered the same as 'tampering' this statement may be somewhat contradictory to what was said earlier in the report. But, in any event, Business A's report does not find in the affirmative on the issue of whether the AdBlue had been interfered with.

Following our investigator's initial findings, Miss B provided the conclusions of another mechanic from Business E who said:

I asked how many miles you had done between [the repairs] *and the vehicle not starting, you told me you had done 11,000 miles and that ever since you have not had an ad-blue fault return but also haven't been prompted to top up ad-blue which I found a bit strange because I would expect to be prompted every 6-7k miles.*

… with the information I have been given, in my opinion it is quite likely the ad-blue system has been tampered with to get rid of the fault which in turn has interrupted the regen process of the dpf [Diesel Particulate Filter] *triggering the p242f code and the check engine light.*

Miss B said, in her complaint to Lendable, that she had been *topping up small amount of AdBlue on the odd occasions* notwithstanding the absence of the warning lights. Miss B said she did this because she was *very aware that a vehicle that has an AdBlue tank should be kept topped up and not to run low*.

With this being the case, I don't find the absence of an AdBlue warning light after 6,000-7,000 miles unusual as it seems the AdBlue was being topped up throughout this time, at least to some degree.

But, putting that to one side, I don't find the findings of Business E sufficient to safely conclude a component of the car had been tampered with during attempted repairs - resulting in the vehicle failing some eight months later. I say this because, whilst it is a possibility, the passage of time (eight months) and additional mileage (c11,000 miles) since

taking ownership introduces more variables and potential possibilities – including the cause being components reaching the end of their serviceable life and/or wear and tear. This is particularly so bearing in mind the overall mileage of the vehicle. In my view, the available evidence isn't sufficient to safely rule out other, equally plausible, possibilities.

Therefore, I don't think there is sufficient evidence to safely conclude the faults Miss B experienced with the car in December 2024 were directly linked to failed repairs (or indeed a failure to carry out repairs at all) in April 2024.

However, even if I am not persuaded by the link between the alleged failed repairs in April 2024 and the breakdown in December 2024 this does not, in and of itself, mean the car was of satisfactory quality at the point of supply.

Under the Consumer Rights Act 2015, where a fault occurs within the first six months, it is assumed that the fault was present or developing at the point of supply and its generally up to the business to put things right. After six months the burden of proof is reversed and it's up to the consumer to show that the fault was present or developing at the point of supply.

The vehicle broke down in December 2024 – around eight months after Miss B had taken ownership of it. Bearing in mind the overall age and mileage of the vehicle - including the additional mileage Miss B covered in the car in eight months (in excess of 11,000 miles which is roughly equivalent to 1.5x the average annual mileage) - my starting point is that it is not immediately obvious that the issues raised in December 2024 are inherent defects as opposed to reasonably expected wear and tear in a car of this age and mileage.

Again, I turn to the expert evidence which has been provided. Having done so, I do not find Business A's report provides persuasive evidence that the issues Miss B experienced with the car in December 2024 were present or developing at the point of sale.

I say this because, on the one hand, it finds *faults of this nature would be due to wear and deterioration and would not be unexpected on a vehicle of this age and mileage.* However, the report goes on to say that *the reported issues…could not be identified due to the engine being in a none start condition.* Finally, the report says, *…although the engineering evidence would be inconclusive at +11,000 miles, the condition may have been in developed but not evident at the point of sale based on the communication.*

As our investigator noted, whilst this doesn't eliminate the possibility the problems were present or developing at the point of sale, it remains somewhat inconclusive. Although I accept this was due to the limitations of the inspection imposed due to the vehicle being in a non-start condition.

I've gone on to consider the other expert evidence we have received – this being the conclusions of the mechanic from Business E who said:

I did a full system scan of the car this brought up numerous faults some of which could be attributed to the low voltage in the old battery. The main fault that caught my eye was one that told me the particulate filter was worn code p242F this in my opinion will be the cause of the crank no start due to excess pressure in the dpf. On its own not a major cause for concern and would suggest the regeneration process of the dpf is being interrupted by typically this would point me to look towards sensors that are involved in this process and fault find from there.

As I set out earlier in the decision, the mechanic went on to say that the likely tampering of the AdBlue system interrupted the regeneration process of the DPF. I explained why I wasn't

persuaded that this was sufficient to safely conclude a component of the car had been tampered with.

With that being the case, I'm also not persuaded that the DPF requiring attention after eight months of Miss B acquiring the vehicle means it wasn't of a satisfactory standard. Miss B acquired a car that had travelled 96,700 miles and was around four and half years old. So, I think it's reasonable to expect there'd be some maintenance required sooner than if it was brand new. Research shows the DPF is a component that can deteriorate over time as a result of different conditions, which can be brought on by in-service wear and tear and driving style. And I don't think the available evidence is sufficiently persuasive that this wasn't the case.

So, bearing in mind the overall age and mileage of the vehicle, I don't think there is sufficient evidence to show the issues which emerged in December 2024 were as a result of inherent defects which were present or developing at the point of sale.

Durability

Although there is not sufficient evidence to suggest the issues Miss B encountered with the vehicle in December 2024 were present or developing at the point of sale I have also thought about durability – which is a factor when considering satisfactory quality under the Consumer Rights Act 2015.

However, when buying a second-hand car with existing mileage it is reasonably expected that there is a risk some components might need replacing sooner than on a newer less road worn car.

Bearing in mind the additional mileage covered since taking ownership of the vehicle - and unless the dealer specifically sold the car as having certain components replaced for new ones (which the available evidence doesn't point towards) - then I don't think there is a breach of contract in this regard.

Summary

Having thought carefully about everything that has happened, it is difficult for me to make a finding that the car is not of satisfactory quality when considering the nature of the problems, the overall age and mileage of the vehicle and, importantly, the insufficient expert evidence in support of this position.

What's more, the passage of time and additional mileage since taking ownership introduces more variables and difficulty in concluding the car was not of satisfactory quality at the time of supply, as opposed to the cause being components reaching the end of their serviceable life and/or wear and tear.

Looking at all of this in the round, I can't hold Lendable responsible for the problems Miss B has experienced with the car, with the exception of the knock sensor and software update in April 2024.

I sympathise with Miss B who has gone to great lengths (and to some expense) to support her case. What's more, she is likely going to have to pay (or possibly already has paid) a not insignificant sum to rectify the problems with the car.

What's more, I know that Miss B is likely to be disappointed by my decision in what is not a clear-cut case. However, my role here is to resolve disputes informally and in a way that I think is fair and reasonable based on the circumstances. And I don't think the evidence I

have seen shows that there was an inherent problem with the car that was present or developing when it was supplied, except for the issues with arose in April 2024 which, in my view based on the additional mileage Miss B was able to cover, were satisfactorily resolved.

Notwithstanding this, Miss B has undoubtedly experienced inconvenience and concern by what has happened, including having to send the car in for repair shortly after taking ownership of it. Our investigator recommended Lendable pay £250 compensation to reflect this – and Lendable accepted this recommendation. With that being the case, I am minded to endorse this recommendation.

Miss B does not have to accept my findings and if he wishes he can pursue her dispute through more formal avenues such as court (seeking appropriate legal advice as she sees fit).

Putting things right

To put things right, I think Lendable should:

- Pay an amount of £250 to Miss B as compensation for the trouble and upset caused.

My final decision

My final decision is that I uphold this complaint and direct Lendable to settle the complaint in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 28 August 2025.

Ross Phillips
Ombudsman