

## **The complaint**

Mr B complains that the car he acquired financed through a hire purchase agreement with Lendable Ltd (“Lendable”) wasn’t of satisfactory quality.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I’ll only provide a brief overview of some of the key events here.

In October 2024 Mr B acquired a car financed through a hire purchase agreement with Lendable. In January 2025 he brought a complaint to Lendable. He said he had been experiencing issues with the vehicle since he acquired it and it was unsafe to drive. He asked to reject the car. Lendable arranged an independent inspection.

In its final response Lendable upheld the complaint on the basis of the findings of the inspection. The report stated faults were present or developing at the point of sale and Lendable agreed to arrange for repair. Mr B further complained about the poor condition of the courtesy car he was supplied and the broker offered £100 in compensation. Mr B wasn’t satisfied and brought his complaint to this service. He explained the impact the situation had had on him and requested to reject the car. He also requested compensation including refund of repair and £800 for the cancellation of his holiday.

Our investigator concluded that Lendable hadn’t gone far enough to compensate Mr B for the problems with the car and recommended it pay him £200 in compensation and refund the cost of the brake repair. Mr B wasn’t satisfied and asked for a decision from an ombudsman. He made some additional comments to which I have responded below where appropriate.

While the complaint has been with this service Mr B has experienced further problems with the vehicle.

## **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.

I realise this will come as a disappointment to Mr B but having done so I agree with the conclusions reached by the investigator for the reasons I’ve outlined below.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator’s rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr B’s hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Lendable, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr B. Whether or not it was of satisfactory quality at that time

will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about nine and a half years old, had been driven for 81,493 miles and had a price of £5,074. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

#### *Faults reported in January 2025*

I'm satisfied there were faults with the car. I say this because I've seen a copy of the independent inspection report. It said the brakes were in poor condition and the wet timing belt had reached the end of its service life. Lendable accepted these findings.

I'm also satisfied these faults rendered the car not of satisfactory quality at the point of sale. The report made the following recommendations and liability assessment:

#### *“Recommended Actions:*

- 1. Engine flush, followed by an oil and filter replacement.*
- 2. Cleaning of the sump and primary oil feed to remove congealed debris.*
- 3. Full brake service, including replacement of rear brake components.*

#### *Liability Assessment:*

*Given that the vehicle has covered only 3,000 miles since the date of sale, we conclude that the vehicle was not sold in a durable condition.*

*Conclusion: The sales agent is responsible for the repair costs as the identified issues were likely present at the time of sale or developed shortly thereafter due to pre-existing conditions.”*

Mr B has said he had already had the front brakes seen to but the repairs hadn't gone far enough as all the brakes were in a poor condition. Again Lendable did not dispute the conclusions of the independent inspection and arranged for Mr B to have the car repaired. So it's left to me to decide if this remedy was fair and reasonable.

I understand Mr B wanted to reject the car but Lendable has the right to attempt a repair in the first instance. But Mr B has explained that when the car was returned to him initially 'repaired' it was obvious very quickly that problems still existed so he took the car to a local garage as the dealership was some 200 miles away. The garage reported that parts had been installed incorrectly. Mr B obtained permission from the dealer to have the repairs completed locally.

Mr B was provided with a courtesy car but reported that it was in very poor condition including showing signs of damp and mould. He raised this with the dealer and broker and was paid £100 in compensation.

I can see that this situation would have been stressful for Mr B. He not only had to get the car repaired at some distance away the car then needed remedial repairs which he had to arrange locally. So I do think Mr B should be compensated for this. He's been given £100 for the poor quality courtesy car which I think is fair, and I'm persuaded that Lendable should pay him £200 in compensation for the further distress and inconvenience. Mr B has said £200 is a derisory token gesture. I understand Mr B's strength of feeling in this matter. It's not our role to punish a business. Given what Mr B has told this service £200 is fair and what

I would expect in the circumstances. I will also instruct Lendable to refund the initial brake repair work.

Mr B has also said he had to cancel his holiday because of the issues with his car and wanted to be refunded the deposit as compensation. I've looked at the terms and conditions of Mr B's agreement, specifically as it relates to liability of loss. It says:

*"16.2. Except to the extent that by law such liability cannot be excluded, we shall have no liability for consequential or economic loss."*

While I'm sympathetic to the fact Mr B had to cancel his holiday this isn't something I can hold Lendable liable for.

Mr B is understandably unhappy with the situation and has asked to be further compensated with the refund of four and a half months payments because he paid for a car he wasn't able to use. He told this service Lendable hadn't provided an alternative means of transport and could have provided a courtesy car or suspended payments. While I understand that Lendable itself didn't provide the courtesy car, Mr B was kept mobile with a courtesy car from the dealer/broker. Had Mr B asked Lendable directly for a courtesy car this is how it would have been arranged anyway. It's clear the car provided wasn't in a good condition but this has been accepted by the broker and Mr B has been compensated with £100 which I think is fair.

Mr B also told this service that Lendable could have offered to cancel the agreement and allowed him to find another vehicle at the same price, which he said was something he had proposed. While I agree that allowing a consumer to reject the car is an option for a finance provider, it is also allowed one opportunity to repair the car, which Lendable did. So I can't say it did anything wrong by not allowing Mr B to reject the car and unwind the agreement.

#### *Faults reported in August 2025*

Mr B has said the car has failed again since bringing the complaint to this service and the repair work will be very costly. I'm very sorry to hear this. From the information provided it doesn't look like the new fault is related to the previous faults and as such this isn't something I'm able to comment on as this would be the subject of a new complaint to Lendable. Mr B has said Lendable is aware of the new fault and has had the car inspected. He hasn't said whether this has been dealt with by Lendable as a complaint or if he's been provided with a new final response letter with referral rights to this service. But if he wishes to pursue it further he should contact Lendable about next steps.

#### **Putting things right**

To put things right Lendable Ltd must:

- Refund Mr B £90 for brake repairs. Mr B should provide a copy of the receipt to Lendable.
- Pay Mr B £200 for any distress and inconvenience this situation has caused.

#### **My final decision**

My final decision is I uphold this complaint and Lendable Ltd must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 February 2026.

Maxine Sutton  
**Ombudsman**