

## The complaint

Ms M complains that a car acquired under a hire purchase agreement with Lendable Ltd trading as Autolend (“Autolend”) wasn’t of satisfactory quality when it was supplied to her.

## What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In November 2024, Ms M entered into an agreement to acquire a used car. The car was supplied by a dealership (P) and Ms M used a credit broker (Z) to source the finance. No deposit was paid, and the total purchase balance was provided by Autolend under a hire purchase agreement. The car was over nine years old and had covered approximately 71,300 miles when the agreement started. The agreement was for 60 months, with 59 monthly payments of £118.07 and a final payment of £116.61. The cash price of the car was £4,695.

Ms M has said that, on the drive home from collecting the car, the rear brakes were noticeably not working as they should, and the front and side lights failed. She booked the car into a local garage – she lived four hours away from P – and they had to replace the rear brake pads and discs as well as the front and side lightbulbs. Ms M has said that P agreed to pay for those repairs.

Then, in early January 2025, Ms M was unable to move the car from her driveway. The clutch had failed. As she was unable to move the car, she called the garage that had previously replaced the brake pads and discs. They told her that it was likely that the whole clutch system had failed and would need replacing.

Ms M complained to Z and Autolend at this point. She wanted to reject the car as she felt it was unsafe to drive. Z arranged an independent inspection of the car – this took place in February 2025, and the mileage was approximately 73,100. The inspection report confirmed the clutch failure and said it would have been showing signs of failing at the point of supply, although that is to be expected for a car of its age and mileage. Based on the findings of the report, Autolend didn’t uphold Ms M’s complaint. They said the report didn’t confirm the car wasn’t of satisfactory quality when it was supplied, and as such, Autolend wouldn’t be agreeing that Ms M could reject the car.

Ms M brought her complaint to our service. Our investigator upheld it. He said he didn’t think it was reasonable to expect Ms M to experience such significant faults in the short space of time that she had been in possession of the car. He said that Ms M should be able to reject the car and Autolend should take it back at no cost to her. He also said that Ms M shouldn’t be liable for any of her contracted monthly repayments from January 2025, as that was when the clutch had failed and Ms M had not had use of the car from that point. He asked Autolend to pay Ms M £250 compensation for the upset caused by being supplied with a car of unsatisfactory quality, and finally he asked Autolend to remove any adverse information, in relation to this agreement, from Ms M’s credit file.

Autolend didn't accept. They said the report concluded the fault with the clutch was commensurate with a car of this age and mileage and was therefore a wear and tear fault.

As Autolend didn't agree, the complaint has been passed 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information in this case. I'd like to reassure them both that I've read and considered everything that's been sent. But, I will be focussing my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

As the hire purchase agreement entered by Ms M is a regulated consumer credit agreement this service is able to consider complaints relating to it. Autolend are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) also covers agreements like the one Ms M entered. Because Autolend supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Ms M's case, the car was used and had covered approximately 71,300 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has said that he thinks the car wasn't of satisfactory quality when it was supplied to Ms M, and she should be able to reject it. I agree in this case. It's clear the car has experienced some faults very soon after being supplied to Ms M, and I'm satisfied those faults confirm the car not to have been of satisfactory quality when it was supplied to her. I'll explain why.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, Autolend in this case, can prove otherwise. Ms M brought the problems with the car to Autolend's attention in January 2025, two months after she'd been supplied with it. So, I need to consider if Autolend have done as I'd expect them to have done once they were aware there were problems with the car.

Here, Z had already arranged for an independent inspection to take place, and it's this inspection report that Autolend have relied upon to determine that the faults Ms M has reported have arisen as a result of wear and tear, due to the age of the car and the mileage it's covered. But, while the report does suggest the clutch concerns could be as a result of wear and tear, and are commensurate with a car of this age and mileage, it also confirms the fault with the clutch would have been present or developing at the point the car was supplied to Ms M.

I have to consider all the circumstances here. Ms M had had the car for less than two months when the clutch system failed. And she had only covered approximately 1,900 miles in it since being supplied with it. And prior to the clutch system failing, Ms M had been required to have new rear brake pads and discs fitted, along with replacement headlight and side light bulbs, as the lights had failed on the day Ms M collected the car. I'm not persuaded that a reasonable person would expect to have to undertake such major work so soon after being supplied with a car. So, I'm more persuaded that the faults seen with the car would render it as unsatisfactory, as opposed to being attributable to wear and tear. I'm not satisfied that Ms M has been in possession of the car long enough, or has covered enough miles in it, for Autolend to determine the faults were as a result of wear and tear as opposed to inherent faults present when the car was supplied to Ms M. And the report confirms the fault with the clutch system would have been developing when the car was supplied.

As I'm satisfied the car is of unsatisfactory quality, and Ms M has previously asked to reject it, I'm satisfied that's the most reasonable way forward. Autolend should end the agreement, ensuring Ms M isn't liable for any further monthly payments once they've done so. They should arrange to collect the car from Ms M at no cost to her.

Ms M has had some use of the car. She used it between collection and January 2025, so I think it's fair she pays for that use. Autolend can keep the payments made towards the agreement prior to January 2025. However, as the car hasn't been used since January 2025 I don't think it's reasonable that Ms M should be held liable for any monthly payments from that date. It's my understanding that Ms M stopped making her contracted payments when the clutch failed, and Autolend have been reporting those missed payments to her credit file. As I've decided the car wasn't of satisfactory quality and Ms M doesn't need to make any contracted payments from January 2025, any adverse information reported on her credit file from January 2025, in relation to this agreement, should be removed by Autolend.

Finally, Ms M has explained the upset she's been caused by being supplied with a car of unsatisfactory quality. It's clearly been a troubling time for her. No amount of money can change what's happened, but the amount of compensation I'm awarding is in line with what's awarded where the impact of the mistake has caused considerable distress, upset and worry. Autolend must pay Ms M £250 compensation to reflect the upset having a car of unsatisfactory quality has brought to her.

### **My final decision**

For the reasons above, I uphold this complaint. Lendable Ltd trading as Autolend must:

- End the finance agreement ensuring Ms M is not liable for any monthly repayments after the point of collection (they should refund Ms M any overpayment for these if applicable).
- Take the car back (if this has not been done already) without charging Ms M for collection.
- Pay Ms M £250 compensation to reflect the upset she's been caused by being supplied with a car of unsatisfactory quality.

- Remove all adverse information from January 2025, in relation to this agreement, from Ms M's credit file as this is when she stopped using the car.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 5 January 2026.

Kevin Parmenter  
**Ombudsman**