

The complaint

Mrs H is unhappy that a car supplied to her under a hire purchase agreement with Lendable Ltd trading as Autolend was of an unsatisfactory quality.

What happened

In February 2025, Mrs H was supplied with a used car through a hire purchase agreement with Autolend. She paid an advance payment of £162, and the agreement was for £6,027 over 60 months; with 59 monthly payments of £155.73 and a final payment of £147.77. At the time of supply, the car was almost nine years old and had done 97,878 miles (according to the MOT record for 19 February 2025).

Mrs H had some problems with the car, and, on 7 April 2025, she contacted the warranty company about an oil leak, asking for this to be repaired. The warranty company refused the claim so, on 9 April 2025, Mrs H complained to Autolend. She had a health check carried out on the car on 14 April 2025, which said the CV joint boot was insecure, and a coil spring was seriously weakened. They also recommended replacement of the timing belt "*due to age as per manufacturers recommendation.*" However, the timing belt wasn't detailed on the 'needs fixing' list.

Autolend arranged for the car to be inspected by an independent engineer, and this inspection took place on 2 June 2025, when the car had done 98,416 miles – 538 miles after it was supplied to Mrs H.

The engineer said the inner CV boot clip was missing, so the CV boot wasn't securely fixed to the CV joint. They also said that, although there was no active oil leak visible, the oil levels were low in the car and there was a fault code relating to oil pressure; as well as the nearside rear coils spring not being seated correctly. The engineer said these issues would have been present when the car was supplied to Mrs H.

With regards to the timing belt, the engineer said this appeared satisfactory, with no cracking or swelling, but they were unable to complete a full inspection of the belt due to a plastic gauze being fitted to the oil filler cap meaning the wet belt tool couldn't be used. The engineer also said "*we would suggest that replacement would be sensible knowing that oil condition past and present can have a significant impact on the longevity of a wet timing belt.*"

Finally, the engineer said "*the vehicle has not been durable, further investigation is required to ascertain if there is a wear and deterioration element to the failure; however, the signs at this stage point to total engine failure. We would deem the condition severe and would not be considered an age and deterioration related issue.*" So, they determined that the selling agent was responsible for any repairs.

In responding to Mrs H's complaint on 18 July 2025, Autolend acknowledged liability for the repairs detailed in the independent engineer's report. Due to the distance between Mrs H's home and the supplying dealership, Autolend said they'd authorise and pay for repairs at a garage of Mrs H's choice (subject to a quote being provided first), cover the costs of any

recovery necessary, waive four monthly payments, cover any diagnostic costs, and pay Mrs H an additional £200 compensation for the impact of what had happened.

Mrs H wasn't happy with the offer made by Autolend, as she wanted to reject the car, and she brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator said that Mrs H had a 30-day short-term right to reject the car, but she hadn't raised any issues or asked for rejection within that period. Therefore, Autolend had the right of repair. The investigator also thought that Autolend's offer was reasonable in the circumstances, so they didn't think Autolend needed to offer to do anything different.

Mrs H didn't agree with the investigator's opinion. She said the car had serious faults that made it both unsafe and unroadworthy, and that Autolend confirmed she had the right to reject the car. Mrs H said that the timing chain being overdue for replacement was a "*critical safety issue*" that should've been addressed before the car was supplied to her, and that the prolonged process has caused her distress, anxiety, and financial harm.

Finally, Mrs H said that the car had been unusable since April; that it could not be safely driven to a garage for repair; that she was unable to pay for the repairs upfront; and that she no longer felt safe driving the car. So, she felt that she should now be able to reject the car, receive a full refund of the deposit and payments she'd made, as well as receive fair compensation for the impact this has had on her.

As Mrs H didn't agree with the investigator's opinion, this matter 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mrs H was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Autolend are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Autolend can show otherwise. So, if I thought the car was faulty when Mrs H took possession of it, or that the car wasn't sufficiently durable, and this made

the car not of a satisfactory quality, it'd be fair and reasonable to ask Autolend to put this right.

In this instance, it's not disputed there was a problem with the car supplied to Mrs H, nor that the issues were present at the point of supply. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision. Instead, I'll focus on what I think Autolend should do to put things right.

Putting things right

I've seen copies of both the vehicle health check supplied by Mrs H, and the independent engineer's report. I've noted that the independent engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

While both reports say that repairs were needed, neither say the car was either unsafe or unroadworthy. What's more, as the car passed an MOT at the point of supply, it was deemed to have reached at least the minimum standards of roadworthiness at that point, and Ms H had only travelled 500 miles in the car between the MOT and inspection by the independent engineer.

As such, while the car clearly has faults that need repair, I cannot agree that Mrs H was supplied with a car that was either unsafe to drive or unroadworthy at the point of supply.

As explained by the investigator, the CRA allows for a short-term right to reject. However, to exercise this right, Mrs H needed to have raised the issues with the car *and* requested rejection within 30-days of supply. While, as Mrs H has pointed out, she did this within 60-days of supply, as this wasn't done within 30-days there is no short-term right to reject. What's more, I haven't seen anything that shows Autolend told Mrs H she had the right to reject the car.

Given this, Autolend have the right, under section 24(5) of the CRA, to repair the car. Mrs H has said that section 23(2) of the CRA says that Autolend must carry out this repair within a reasonable time, and without significant inconvenience. So, as they haven't done this, she says she now has the right to reject the car.

While this is a correct interpretation of section 23(2) of the CRA, it doesn't take into consideration the offer made by Autolend on 18 July 2025 - to repair the car at no cost to Mrs H, to refund any diagnostic costs she incurred, to waive four payments, and to pay £200 compensation. While this offer could've been made sooner, it was made within six weeks of the car being inspected by the independent engineer. And the offer covered not only the repair, but the inconvenience caused to Mrs H.

However, it was Mrs H's choice not to accept this offer, which has remained open since it was made. It's not the intention of the CRA to allow rejection where a consumer delays or rejects a fair offer of repair and, as such, section 23(2) doesn't apply in this instance. And I'm satisfied that Autolend still have the right of repair.

What's more, this offer of repair is at a garage of Mrs H's choice, with Autolend covering the costs of recovering the car to that garage, and the costs of repair. Mrs H has not been asked to pay for these costs upfront, and only to have the garage submit a quote to Autolend for authorisation first. I think this is reasonable as, if the costs of repair are uneconomic, Autolend *may* choose to allow Mrs H to reject the car instead – but this is not something they are even able to consider without Mrs H advising them where she wants the car to be repaired so they can arrange for recovery to take place,

Mrs H has said that she only made two payments to Autolend, which would be the March and April 2025 payments. As part of their offer Autolend offered to “*refund four missed payments to your agreement*”, i.e. waive the payments due from May to August 2025. Had Mrs H accepted the offer of repair, it’s reasonable to assume the car would’ve been repaired by August 2025, and that Mrs H would then resume payments in September 2025.

However, as the delays in repair have been caused by Mrs H, not Autolend, I don’t think it’s reasonable that Autolend waive or refund any further payments. As such, I’m satisfied that Mrs H should remain liable for any payments from September 2025 onwards. If any of these payments haven’t been made, I would expect Autolend to follow the FCA guidance on forbearance and due consideration if Mrs H is unable to pay these missed payments as a lump sum, and a payment plan is required.

Finally, I think Mrs H should be compensated for the distress and inconvenience she’s been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service’s approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

Autolend have offered to pay Mrs H £200 to recognise the distress and inconvenience caused. And having considered this recommendation, I think it’s a fair offer that falls in line with our service’s approach and what I would’ve directed, had it not already been put forward. So, this is a payment I’m directing Autolend to make

Therefore, Autolend should:

- once Mrs H has advised them of the garage she would like the car to be repaired at, arrange for the car to be recovered to that garage and repaired in line with the work specified on the independent engineer’s report of 2 June 2025, at no cost to Mrs H;
- remove any adverse entries relating to this agreement, for the period to the end of August 2025, from Mrs H’s credit file;
- upon receipt of proof of payment, reimburse Mrs H for the cost of the vehicle health check she had carried out on 14 April 2025;
- refund or waive the payments due between May and August 2025;
- apply 8% simple yearly interest on any refunds or reimbursements, calculated from the date Mrs H made the payments to the date of the refund[†]; and
- pay Mrs H an additional £200 to compensate her for the trouble and inconvenience caused by being supplied with a car that wasn’t of a satisfactory quality (Autolend must pay this compensation within 28 days of the date on which we tell them Mrs H accepts my final decision. If they pay later than this date, Autolend must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment[†]).

[†]If HM Revenue & Customs requires Autolend to take off tax from this interest, Autolend must give Mrs H a certificate showing how much tax they’ve taken off if she asks for one.

My final decision

For the reasons explained, I uphold Mrs H’s complaint about Lendable Ltd trading as Autolend. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 8 January 2026.

Andrew Burford
Ombudsman