

The complaint

Mr J is unhappy that a car supplied to him under a hire purchase agreement with Lendable Ltd trading as Autolend was of an unsatisfactory quality.

What happened

On 27 March 2023, Mr J was supplied with a used car through a hire purchase agreement with Lendable. He paid an advance payment of £231.75, and the agreement was for £4,403.25 over 60 months; with 59 monthly payments of £131.41 and a final payment of £147.75. At the time of supply, the car was around eight years old and had done 73,356 miles (according to the agreement).

On 6 April 2023, the car broke down and was recovered to the dealership. They said that the clutch had failed and replaced it. Mr J also says that, three months later, the head gasket failed, and he had to pay 50% of the repair costs, a total of £300, as the warranty had expired. He also said that, on both occasions, he wasn't given the option to return the car.

The clutch failed again in June 2025 when the car had done 105,683 miles – over 32,000 miles since it had been supplied to Mr J. He complained to Lendable and said that he wanted to reject the car. Lendable didn't uphold the complaint as Mr J hadn't provided any evidence of any issues with the car, or anything to show the car wasn't of a satisfactory quality when it was supplied. However, they said they would reconsider the complaint if he supplied this evidence, and suggested he obtain a report from an independent engineer.

Unhappy with this response, Mr J brought his complaint to the Financial Ombudsman Service for investigation. Our investigator initially said that, without anything to show there were issues with the car when it was supplied to Mr J, and anything to show there were current issues with the car, we would be unable to consider upholding the complaint.

Mr J didn't agree with the investigator's initial opinion. He said the car had been supplied to him *"in an unsatisfactory and dangerous condition"* and that he'd not been given the opportunity to cancel the agreement when two issues occurred within the first six months.

Mr J provided evidence of the initial issue with the clutch, and proof that he'd paid a garage £300 on 7 September 2023 (even though the same garage had said they had never carried out any work on the car's engine, nor had the car been sent to them for any engine related inspection or repair). However, while the investigator agreed there had initially been problems with the car, as there was no evidence to support the current issues, they didn't think the complaint should be upheld.

Mr J still didn't agree with the investigator, so the 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. Mr J 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, Lendable 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 Lendable can show otherwise. So, if I thought the car was faulty when Mr J 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 Lendable to put this right.

Mr J has said that, when the car was supplied to him, it was in a dangerous condition. The MOT record shows that the car passed an MOT on 13 January 2023 with no advisories. The mileage at the time of this MOT was 73,410 miles. An MOT is a legal check to confirm if a motor vehicle is of a roadworthy condition at the time of inspection. As the car passed the MOT check, it's reasonable for me to conclude that, on the day of the MOT test, the car was legally roadworthy.

I've also seen that the mileage on the agreement is 54 miles lower than the MOT, despite the agreement being dated some two months later. A slight discrepancy in these situations is not unusual, and Mr J hasn't complained about the mileage being incorrectly represented on the agreement. So, I don't consider this to be an issue.

However, given how similar the MOT mileage is to the agreement mileage, it's fair for me to conclude that the car had hardly been used between the MOT and being supplied to Mr J. As such, I'm satisfied the car was still in a legally roadworthy condition when it was supplied to Mr J. So, I can't agree with him that he was supplied with a car in a dangerous condition.

It's not disputed that, shortly after being supplied with the car, the clutch failed. While the breakdown report shows this happened after 50 miles – not the 9 miles Mr J had claimed – this occurred within 30-days of supply. The CRA allows for a 30-day short-term right to reject, but this right needs to be exercised i.e., Mr J would need to ask to reject the car. There's no evidence he did this, nor has he ever said that he did. I'm therefore satisfied that Mr J didn't exercise the short-term right to reject.

Where the short-term right to reject doesn't apply, as is the case here, section 24(5) of the CRA says *"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not confirm to contract."* This is known as the single chance of repair. And this applies to all

issues with the goods, and to all repairs i.e., it's not a single chance of repair for the dealership AND a single chance of repair for Lendable – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

The CRA is also clear that, if the single chance at repair fails, then Mr J has the right of rejection. However, this doesn't mean that Mr J is required to reject the car, and he can agree an alternative remedy i.e., further repairs to the car.

The dealership repairing the clutch was the single chance of repair. Mr J has said that the head gasket failed, and he's shown he paid a garage £300 on 7 September 2023. As I've said above, the garage hasn't said what this work was for, but have said it wasn't engine related i.e., implying that it wasn't for a replacement head gasket. While I have no evidence of what this work was for, as the garage haven't said what it was, instead giving a general statement of what it wasn't, I'm inclined to accept Mr J's testimony on this, and make my decision on the basis that it was the head gasket.

Given the age and mileage of the car at the time of supply, the need to replace the clutch and head gasket would not be considered unusual. And, while the single chance of repair had already taken place, this doesn't mean that Mr J had to reject the car – he could and did accept an additional repair instead. As such, as there is nothing to show me that Mr J ever asked to reject the car at this time, I'm satisfied that a second repair was reasonable.

Based on what I've said so far, I'm satisfied that the car wasn't of a satisfactory quality when it was supplied to Mr J, but he accepted repair under the CRA. Therefore, there is no right of rejection due to the issues with the car that occurred within the first six months of supply.

Turning now to the current issues with the car, Mr J has said that he's spent over £2,000 in repairs on the car since the head gasket was replaced, and the clutch has now failed again. As the investigator has explained to Mr J, we are an evidence based organisation, and, as these issues have occurred more than six months after the car was supplied, the CRA implies it's for Mr J to provide evidence that the current issues with the car made it of an unsatisfactory quality when it was supplied to him, or were related to a failed repair.

Mr J has been given the option to have the car inspected by an independent engineer. He's also had the opportunity to have the car inspected by a garage of his choice and provide a diagnostic of the current issues or a quote for what work needs to be done. Finally, Mr J has had the opportunity to supply invoices for the around £2,000 of repair work he says he's had done to the car since the head gasket was replaced.

However, Mr J hasn't provided anything to show that there are any current issues with the car, or anything to show that the repairs carried out by the dealership have failed due to insufficient durability. As such, and while I appreciate this will come as a disappointment to Mr J, without any evidence showing that any current issues with the car were either present or developing when the car was supplied to him, or were caused by a lack of durability; I'm unable to conclude that Mr J should be able to reject the car or that Lendable need to do anything more.

My final decision

For the reasons explained, I don't uphold Mr J's complaint about Lendable Ltd trading as Autolend.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or

reject my decision before 27 January 2026.

Andrew Burford
Ombudsman