

The complaint

Mr J is unhappy with the car supplied under the hire purchase agreement with Lendable Ltd trading as Autolend (Autolend).

When I refer to what Mr J and Autolend have said or did, it should also be taken to include things said or done on their behalf.

What happened

In July 2024 Mr J entered into a hire purchase agreement with Autolend to acquire a used car. The car was first registered in March 2016. At the time of supply, it had travelled around 88,000 miles. The total cash price of the car was £10,599. There was an advance payment of £400. The duration of the agreement was 60 months consisting of one payment of £378.93 followed by 58 consecutive monthly payments each of £378.93. The final payment of £433.95 was to be collected 60 months after the start date of the agreement along with an Option to Purchase Fee of £25 and an Acceptance Fee of £178, if Mr J chose to exercise this option.

In June 2025 Mr J raised a complaint with Autolend because he noticed that the AdBlue system was disconnected from the module and, in his opinion, the system was not reflecting the levels of AdBlue properly. Plus, he discovered an invoice from June 2023 which showed that the car had an "AdBlue fault repair".

Autolend told him to commission an independent inspection of the car which had taken place mid-June 2025. This independent inspection confirmed that the multiplug had been disconnected from the module and the AdBlue was empty, yet the car was not showing any warning lights. The report concluded that this issue was unlikely to have been caused by the current owner and suspected potential tampering or coding of the AdBlue system. Following these findings Mr J stopped driving the car and told Autolend that he would like to unwind the finance agreement. Autolend questioned certain aspects of the independent report, but the engineer confirmed that normal driving was totally possible when the AdBlue was disconnected.

In July 2025, Autolend wrote to Mr J and said the invoice Mr J found for the AdBlue repair was completed roughly one year and 14,119 miles before the date of supply, and that the invoice does not clearly outline what was repaired. Without a clear understanding of the work completed, they said, they cannot use this as sufficient evidence, as the repair could have been for the tank itself, or for a full replacement.

In this correspondence Autolend also said they observed that the car passed an MOT in April 2024 at 83,011 miles. The AdBlue system is a component checked during an MOT inspection, where an inspector is required to ensure that the Selective Catalytic Reduction (SCR) system (which uses AdBlue) has not been illegally deleted or disabled, as this would result in an MOT failure. This MOT was completed after the AdBlue repair, roughly nine months and 9,130 miles before Mr J purchased the car, and no failures or repairs related to the AdBlue system were noted. Furthermore, Autolend said the car had another MOT completed in July 2024, before its supply to Mr J. This MOT was at a different location and

the car underwent another MOT in July 2025, during Mr J's ownership, at 100,627 miles. That MOT also passed with no mention or noted concerns regarding the AdBlue system. This occurred at a different location from the dealership and the initial MOT.

As such Autolend said that based on the MOT history, this information does not support the fault being pre-existing. An MOT tester is required to check for tampering with the AdBlue system, and considering Mr J's was disconnected, which formed part of the complaint, it is highly unlikely that three separate MOT testers would have missed this issue since the date of the AdBlue repair invoice. Also, Autolend said that driving without AdBlue typically will not damage an engine immediately, but it can lead to reduced performance and increased emissions over time. If the AdBlue tank runs empty, a car will likely enter "limp mode," limiting power output to reduce harmful emissions, and this can cause an increase in NOx, disrupting the engine's operation. In addition, the engine may not restart after being turned off. As mentioned by the independent report, some of these features were disabled due to the AdBlue modification. However, Mr J's car was in good condition, 27,501 miles after the supposed AdBlue repair, and 13,375 miles after sale, having passed three MOTs at three different locations. Autolend concluded the correspondence by saying that there is insufficient definitive proof to conclude that the fault was pre-existing.

Mr J remained unhappy with the above, so he referred his complaint to the Financial Ombudsman Service (Service). Also towards the end of July Mr J paid to transport the car to one of its manufacturer's dealerships for a diagnostic check. The diagnostic check confirmed that the AdBlue system had been coded out of the car and there was no communication with the Engine Control Unit (ECU). In summary, Mr J wants the credit agreement to be unwound and all monthly payments and his deposit to be refunded. Plus be reimbursed for certain costs he has incurred.

Our investigator looked at Mr J's complaint and was of the opinion that the complaint should be upheld. The investigator was satisfied the AdBlue system had been mapped out of the car prior to it being supplied to Mr J and they were of the opinion that, as the car was advertised to have come with specific Blue-Tec technology, it was reasonable to conclude that the car was misrepresented. As such, they thought Mr J was induced into taking the agreement on the understanding that the car was supplied with Blue-Tec feature being functional. The investigator was of the opinion that the car was misrepresented, so Mr J could return the car. However, they felt that Mr J should only get payments back from when he stopped using the car, because he had benefit from it. So, they felt, it was fair that he pays to reflect that.

Mr J disagreed, so 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

I am very aware I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me, reaching what I think is the right outcome. This reflects the informal nature of our service as a free alternative to the courts.

First, I should say that I believe that Section 56 of the Consumer Credit Act 1974 would apply here. This section deals with “antecedent negotiations”, and it explains that finance providers are liable for what they say and for what is said by a credit broker or a supplier (in certain circumstances) before the consumer takes out the credit agreement. Considering all the circumstances of this case, I think most likely, this section does apply.

What I need to decide in this case is whether the car Mr J acquired was misrepresented to him by Autolend and/or their agents. To make a finding of misrepresentation, I would need to be satisfied that Mr J was told a false statement of fact that caused him to enter into a contract he would not have entered into otherwise.

Mr J provided our service with a copy of the advertisement for the car. From this I can see the car was advertised and sold as having “Blue-Tec” technology which meant that, most likely, it would need to have a functional AdBlue system. However, the independent report on file confirms that the AdBlue system had likely been mapped out prior to the current ownership and a manufacturing dealership of this particular car has also confirmed that AdBlue system had been mapped out of the car. So it is clear that the car’s “Blue-Tec” technology is not operational. However, the question at hand is when this technology has been mapped out or disabled.

To make a finding if the AdBlue was mapped out before or after supply I have considered a few aspects.

I considered that a prior repair was completed on the AdBlue system in June 2023, before the car was supplied to Mr J. It is not clear what specifically was completed at that time by the third-party garage, but I have seen evidence that shows that this garage does specialise in re-mapping services. And I can see that the engineer who did the independent report on the car completed in June 2025, said it was common for the AdBlue systems to be modified and disconnected due to the cost of their repairs, as it is usually cheaper to carry out the modification. In addition, the report did state that potential tampering or coding to the AdBlue system was suspected. So, it is possible that a third-party garage could have mapped out the AdBlue system from the car. I have also considered that the independent report said that the fault with the AdBlue system was unlikely to have been carried out by the customer (Mr J), based on the evidence available at the time of inspection along with the documentation provided.

I have also considered what Autolend has said. One of their main arguments was that the car passed MOT inspections and that this would not have been possible if the AdBlue system was not operating properly. However, one of those MOTs said that engine covers and undertrays fitted were preventing full inspection, so it is possible the MOT tester could not check certain parts of the AdBlue system fully. Also, I considered that it is possible that the tester could have missed any issues with the AdBlue especially as the manufacturing dealership for the car confirmed that the system was coded out of the ECU.

In addition, I have also seen how much effort Mr J invested into trying to get to the bottom of whether the car’s AdBlue system has been mapped out. I think, most likely, he would not have gone to such great efforts if he was the one who commissioned this work.

Taking all of the above into consideration, I think on balance, the AdBlue system was mapped out prior to the car being supplied to Mr J. As such, a false statement of fact has been made about the car being supplied with Blue-Tec technology because, most likely, the Ad Blue system was mapped out of the car, prior to being supplied to Mr J. So, the car would not have a functioning Blue-Tec technology. Therefore, it is reasonable to say that Mr J was induced into taking the agreement on the understanding that the car was supplied with such

a major feature of the car, in this case Blue-Tec, being functional, especially considering that without this feature the car would not be road-legal. From all the evidence available, Mr J, most likely, would not have purchased a car that he could not use legally. This is further supported by the fact that when Mr J found out the car was not road legal, he stopped using it. Overall, I think the car was most likely misrepresented.

The remedy for misrepresentation is usually rescission of the contract to put the consumer back in the position they would have been in, had it not been for the false statement. It is not to give the consumer the benefit of the false statement.

I know Mr J feels strongly that rescission of the finance agreement is the right outcome, and as such he feels that he should get all his payments back. He said the car was unroadworthy and non-compliant and any use exposed him to criminal and insurance risk preventing, as he said, lawful "benefit of use." Furthermore, he feels that application of "use deduction" conflicts with public policy, because he was operating a car which was illegal from the outset. He feels that any insurer would have invalidated cover if an accident had occurred. He has quoted case law and legislation around misrepresentation, where courts in similar circumstances to his, have indicated that rescission is a correct remedy.

First, I should explain that I understand Mr J feels that, for a certain amount of time, he was not fully covered by insurance, and as a result that he was exposed to criminal and insurance risk. However, Mr J has not suffered a loss because of this. Thus, I cannot comment and take into consideration what might have happened, as we consider each complaint on its own merits and based on its own specific set of circumstances.

Second, I am aware of the legislation and case law surrounding misrepresentation and rescission of contract, and I have taken it into consideration. However, I do not think it would be a fair and reasonable remedy for him to get all his payments back considering the specific circumstances of this case. I say this because as time passed, Mr J continued to use the car, putting significant number of miles on it. He had about a year use of the car and had travelled around 13,000 miles in it. With that in mind, he had the car for a significant period and covered a reasonable number of miles, so he gained a significant benefit from the car. As such I think it is only fair and reasonable that he pays for the benefit he gained.

When coming to the above conclusion, I also considered that the misrepresentation was, most likely, not fraudulent or negligent as I have not seen any evidence that would indicate that the supplying dealership, or Autolend, most likely, knew about the AdBlue system being mapped out. Considering this and the fact that Mr J had done a significant number of miles and got a significant benefit from the use of the car, I think a full refund would be disproportionate and unfair to the business. When thinking about putting Mr J back in the position he would have been in, had it not been for the false statement, I thought, had Mr J purchased a similar car with a functioning AdBlue system, he would, most likely, incurred similar repayments during that period in question. As such, in this case, I think rescission of the contract whereby Mr J receives all his payments back is not the most fair and reasonable solution at the current stage.

I have also looked at a remedy for breach of contract, namely for goods which are not as described. The requirement for goods to be as described is implied into the contract between Mr J and Autolend by the Consumer Rights Act 2015 (CRA). Under the CRA, where such a term is breached, Mr J is provided with several remedies including repair, replacement, or monetary awards such as damages. So, I considered what the right remedy is, taking all the circumstances of this case. I also thought about what both sides have said.

I have considered that a repair or replacement are most likely not practical remedies at this stage. I say this because it is unknown what hidden damage to the car has been caused by

the non-functioning AdBlue system. Also, we do not know if the system's repair would be economical, so a repair seems unreasonable at this stage. In addition, I think, most likely, it would not be easy to replace the car with a similar one as it might be difficult to find a like for like car. Plus, I think a monetary award combined with allowing Mr J to keep the car, would also not be the most fair and reasonable. I say this because Mr J would need to look to repair the car himself and I already covered why that would not be practical. In addition, I have considered that a repair or a replacement, or a monetary award such as damages (whereby he keeps the car), would, most likely, cause Mr J further inconvenience.

Taking everything into consideration, I think the most fair and reasonable option at this point is for Autolend to end the finance agreement and to collect the car from wherever it is located at no cost to Mr J. Mr J has been able to use the car, so I think it is reasonable he pays for this use (as I explained above I do not think it would be fair or reasonable for him to get all his payments back).

As such, Autolend can keep all repayments made and due up until 27 June 2025 when the car was SORN, as I think that is when most likely he stopped using the car. Also, I think it is reasonable that Mr J stopped using the car as not having a functioning AdBlue system is illegal. Autolend should refund Mr J all payments made after that date.

Mr J paid for an independent inspection at a cost of £264 and he paid for a dealership to do a diagnostic at a cost of £229.20. So, I think it is fair for Autolend to refund these cost as he would not have incurred these had Autolend supplied him with a car that had a fully functional "Blue-Tec" technology.

I know that Mr J said that he paid cash to have the car transported to dealership for diagnostics and that he had other expenses, such as storage costs, however, I have not been given sufficient evidence that would allow me to say that he, most likely, incurred these costs.

He also claimed to have lost earnings because of not being able to use the car. So, I've considered this, but I've not seen enough evidence for me to conclude that by supplying Mr J with a car that did not have a fully functional "Blue-Tec" technology, Autolend was, most likely, directly responsible for Mr J incurring financial loss. Partially, I say this because I think Mr J could have mitigated his circumstances. Plus from the evidence on file, I can see that he was provided a loan car by his employer and I have not seen that not having access to the car in question completely stopped his ability to work, based on his type of employment. However, I have considered the impact the situation had on Mr J. I know this matter has caused him a lot of distress and inconvenience while trying to resolve it. He also had to make the car available for the independent inspection and transport it to the dealership for an inspection. Plus, he spent a lot of time corresponding when trying to sort out the situation he found himself in. I think Mr J would not have experienced all of this, had Autolend supplied his with a car that had a fully functional "Blue-Tec" technology. So, I think Autolend should pay Mr J a total of £300 in compensation to reflect the impact this had on him.

I know that Mr J has also mentioned that he wanted to be refunded for some of the repair work he carried out on the car. Some of this work consisted of replacing the brakes, but brakes are a wear and tear item and a consumable one that needs to be replaced regularly under general maintenance of the car. As such, I do not think it would be fair and reasonable to ask Autolend to refund the cost of these repairs to Mr J because he got significant use of the car, as I mentioned above.

Finally, I have already said that Autolend can keep payments up until the car was SORN, so I do not think they need to refund any payments Mr J incurred towards the cost of the acquiring his new car.

However, Autolend should also refund the advance payment of £400 that Mr J paid.

Autolend should also add interest to all the refunded amounts from the date of each payment made by Mr J until the date of settlement. Interest should be calculated at 8% simple per year.

My final decision

For the reasons given above, I direct Lendable Ltd trading as Autolend to:

1. End the finance agreement and to collect the car from wherever it is located at no cost to Mr J;
2. Keep all repayments made and due up until 27 June 2025 and refund all payments made after this date;
3. Refund £264 Mr J incurred for an independent inspection;
4. Refund £229.20 Mr J incurred for a dealership to do a diagnostic;
5. Refund the advance payment of £400;
6. Add 8% simple interest per year to all refunded amounts, from the date of each payment to the date of settlement;
7. Pay Mr J a total of £300 compensation for distress and inconvenience caused;
8. Remove any adverse information recorded on Mr J's credit file in relation to this credit agreement. And the credit agreement should be marked as settled in full on his credit file, or something similar, and should not show as voluntary termination.

If Lendable Ltd trading as Autolend considers that tax should be deducted from the interest element of my award, they should provide Mr J with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.”

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 December 2025.

Mike Kozbial
Ombudsman