

The complaint

Mrs E complains about the quality of a car that was supplied through a hire purchase agreement with Lendable Ltd trading as Autolend (Autolend).

What happened

In February 2025, Mrs E acquired a used car through a hire purchase agreement with Autolend. The car was about eight years and six months old and had travelled 88,255 miles when it was supplied. The cash price of the car was £8,995. A deposit of £1,000 is listed, so the total amount financed on the agreement was £7,995 payable over 47 monthly repayments of £273.07 followed by a final repayment of £254.50.

Mrs E complained that soon after collecting the car she noticed the engine manage light (EML) was illuminated and there was a burning smell with smoke. She brought it to the garage where a battery was fitted, however the EML came back on. Mrs E asked that she be able to reject the car if it couldn't be fixed. She said the dealership collected the car for repairs and returned it around a week later with an additional 1,500 miles travelled.

In June 2025, Mrs E said the car broke down on the motorway when she had her children in it. The roadside recovery confirmed the engine had seized. Mrs E says the situation has caused her significant inconvenience, and to resolves the situation she wants a full refund for it.

In June 2025, Autolend issued their final response to the complaint which they upheld as it wasn't of satisfactory quality. In summary, it said an inspection carried out by the dealership confirmed an oil pump failure which suggested the issue was a recent occurrence rather than a longstanding fault.

It said there was no evidence the dealership has had a chance to repair the fault which is allowable under the CRA. So, they were unable to support a rejection of it at this stage. They confirmed the dealership were carrying out a full engine replacement, and a courtesy car would be made available.

Unhappy with their decision, Mrs E brought her complaint to our service where it was passed to one of our Investigators to look into. In August 2025, Mrs E said the car was still in the garage being repaired, she's had concerns with the courtesy car and the relationship with the dealership was stressful.

In August 2025, the Investigator issued their view and recommended that the complaint should be upheld. In summary, the Investigator concluded that as the repairs were taking an unreasonable amount of time to complete, Mrs E should be allowed to reject the car. The Investigator recommended that Autolend:

- end the finance agreement, with nothing further to pay
- refund all payments made towards the agreement except for two monthly payments of £273.07 that can be retained for fair usage
- take the car back (if that has not been done already) without charging for collection

- refund Mrs E's deposit contribution of £1,000
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement
- pay a further amount of £350 for any distress or inconvenience that's been caused due to the faulty goods
- remove any adverse information from Mrs E's credit file in relation to the agreement.

Autolend didn't accept the Investigator's view and advised that in September 2025, the car was repaired, and arrangements were being made for collection. It said there would need to be evidence that the repair has failed.

The Investigator didn't change their view as they considered that Mrs E was significantly inconvenienced due to the lengthy repairs and so concluded that a rejection was fair.

Autolend didn't accept the Investigator's view and so asked that the complaint be referred to an ombudsman for a final decision.

In September 2025, Mrs E confirmed the car was delivered to her and the courtesy car collected. However, she said the engine started with smoke coming from the exhaust and there were marks present which weren't there beforehand. Mrs E maintained that she wanted to reject the car.

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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs E complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs E's complaint about Autolend. Autolend is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, Mrs E acquired a used car which had covered 88,255 miles and cost around £9,000. So, I think a reasonable person would not have the same expectation of quality in comparison to a newer model, which had less mileage. But I still think they would expect the car to be free from any major defects and would expect trouble free motoring for both some time and distance.

From the information provided it's clear to me that there was a fault with the car. This has been confirmed by the dealership which advised the engine required replacement. Autolend have also upheld Mrs E's complaint and confirmed the quality wasn't what it should have been.

In the circumstances I don't consider the quality of the car when it was supplied to Mrs E is in dispute. Both parties have agreed it wasn't of satisfactory quality. By upholding the complaint and supporting the repair of the car, Autolend have agreed with the unsatisfactory quality of it.

What appears to be in dispute here is what the fairest resolution should be for Mrs E's complaint. Autolend have confirmed the car has now been successfully repaired, however Mrs E is of the opinion that the repairs took too long, the car was returned in a poor condition, and she should still be able to reject it.

Under the CRA if goods are not of satisfactory quality they do not conform to the contract. Section 19 of the CRA sets out certain remedies available to the consumer for goods that do not conform. One of those remedies is the right to repair or replacement. However, in relation to this the CRA also says:

"If the consumer requires the trader to repair or replace the goods, the trader must—

(a) do so within a reasonable time and without significant inconvenience to the consumer"

In response to the Investigator's view, Autolend advised that the car's engine had been repaired. In an email to the Investigator dated 30 September 2025, Mrs E confirmed she'd received the car back from the dealership but that it was in a poor condition. So, I'm satisfied a repair was carried out to the car's engine.

In their file submission Autolend provided a timeline of events which confirmed the car was returned to the dealership for repairs on 24 April 2025. So, this means Mrs E has had to wait five months for the engine to be repaired. I acknowledge Autolend said there is no definitive timeframe for a repair given the extent of the repair, however, in their final response they said it could take up to two months. In consideration that it took over twice this amount of time, I think it's reasonable to conclude that the repairs had taken a considerable amount of time, longer than expected and I'm persuaded this had caused significant inconvenience to Mrs E.

The repair was completed after Mrs E had brought her complaint to our service and after an initial view was issued. Notwithstanding what Autolend has told us about the requirement of different parts in order to complete the repair and the road tests required, I think it's fair to conclude that the time taken to repair it, was an unreasonable timeframe.

The CRA says repairs should be carried out within a reasonable time and without significant inconvenience. Although I acknowledge the repairs have now been completed. I'm satisfied

it took an unreasonable time to do so, and so Mrs E should be allowed to reject the car which is a remedy under the CRA.

I don't believe it would be fair to prevent Mrs E from rejecting the car because the repair was completed while her complaint was still being considered. The fact that the car was eventually repaired does not change the reality that the process took an unreasonable amount of time and caused significant inconvenience to her. I don't think the completion of the repair during the complaints process should prevent Mrs E from exercising her right to reject the car.

Putting things right

As I've concluded that the repair to Mrs E's car was not completed within a reasonable time and had caused significant impact to her, Autolend will need to put things right. In the circumstances I'll be instructing them to facilitate a rejection of the car.

Autolend should end the agreement and collect the car, refund to Mrs E her deposit and all the repayments she's made towards the agreement less two monthly repayments for fair usage. This is because she was able to use the car up to when it broke down in April 2025.

Mrs E confirmed she received the car back in September 2025, but given the faults she reported, it's unlikely she used it much. Autolend can deduct any fair usage since then by adjusting the refund for October and November 2025, if applicable.

Mrs E explained the difficulties she faced in trying to resolve the issue, and I'm satisfied this caused her some inconvenience. Therefore, I'm in agreement with the Investigator that Autolend should pay Mrs E £350 as compensation for the distress and inconvenience she experienced.

My final decision

Having thought about everything above along with what is fair and reasonable in the circumstances I uphold this complaint and instruct Lendable Ltd trading as Autolend to:

- collect the car at no additional cost to Mrs E
- end the agreement and remove it from Mrs E's credit file
- refund the deposit Mrs E paid (if any part of this deposit is made up of funds paid through a dealer contribution, Lendable Ltd trading as Autolend is entitled to retain that proportion of the deposit)
- refund to Mrs E all the repayments she's made under the agreement less two monthly repayments for fair usage (Autolend can adjust the refund for October and November 2025, to account for any fair usage in this period, if applicable)
- pay Mrs E £350 in compensation for the distress and inconvenience caused
- remove any adverse information that may have been recorded with the credit reference agencies in respect of this agreement

Lendable Ltd trading as Autolend should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

If Lendable Ltd trading as Autolend considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mrs E how much it's taken off. It should also give Mrs E a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 16 December 2025.

Benjamin John
Ombudsman