

## **The complaint**

Mr C 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**

In October 2024, Mr C was supplied with a used car through a hire purchase agreement with Autolend. The agreement was for £10,194 over 60 months; with 59 monthly payments of £293.15 and a final payment of £279.09. At the time of supply, the car was around six years old and had done 64,483 miles (according to the MOT record for 24 October 2024).

The car broke down on 7 February 2025, due to a gearbox fault. At the time of the breakdown, Mr C had already replaced the clutch, battery, and ABS and O<sub>2</sub> sensors. He complained to Autolend, who arranged for the car to be inspected by an independent engineer.

This inspection took place on 1 May 2025, when the car had done 67,053 miles – around 2,500 miles since being supplied to Mr C. The independent engineer found that the gearbox main shaft bearing had failed, which they said had been present or developing when the car was supplied to Mr C.

Based on this report, Autolend agreed to repair the car and pay Mr C £250 compensation. However, as this repair had not taken place by 15 August 2025, Mr C brought the matter to the Financial Ombudsman Service for investigation. The repair was finally completed, and the car returned to Mr C, on 17 September 2025.

Our investigator said that, in addition to the £250 payment Autolend had already paid, they should refund Mr C the payments he made between 7 February and 17 September 2025, plus statutory interest, to compensate him for the time he'd been without use of the car.

Mr C accepted the investigator's opinion. Despite asking for extensions to do so, Autolend have failed to respond to the investigator's opinion. So, under our rules, we are treating this as a rejection, and 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 C 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.

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 Mr C took possession of it, 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 Mr C, nor that this made the car of an unsatisfactory quality. 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**

Section 24 of the CRA gives Autolend the single chance of repair. This repair took place in 2025, and I haven't seen any evidence that this repair has subsequently failed. As such, Mr C doesn't have the right to reject the car.

Notwithstanding this, the car was off the road and undrivable between 7 February and 17 September 2025. During this period, Mr C wasn't supplied with a courtesy car. As such, he was paying for goods he was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as Autolend failed to keep Mr C mobile; I'm satisfied they should refund the payments he made during this period.

I also think Mr C should be compensated for the distress and inconvenience he'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.

I note that Autolend have offered (and I believe paid) Mr C £250 to recognise the distress and inconvenience caused. Having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, I won't be asking Autolend to pay anything more.

Therefore, if they haven't already, Autolend should:

- remove any adverse entries relating to this agreement from Mr C's credit file;
- refund the payments made for the period 7 February to 17 September 2025;
- apply 8% simple yearly interest on the refund, calculated from the date Mr C made the payments to the date of the refund<sup>†</sup>; and
- pay Mr C a total of £250 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (If this hasn't already been paid, Autolend must pay this within 28 days of the date on which we tell

them Mr C accepts my final decision. If they pay later than this date, they must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires Autolend to take off tax from this interest, Autolend must give Mr C a certificate showing how much tax they've taken off if he asks for one.

### **My final decision**

For the reasons explained, I uphold Mr C'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 Mr C to accept or reject my decision before 2 April 2026.

Andrew Burford  
**Ombudsman**