

The complaint

Ms M complains 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 November 2024, Ms M was supplied with a used car through a hire purchase agreement with Autolend. The cash price of the car was £5,445. She paid a deposit of £277, and the agreement was for £5,168 over 24 months; with 23 monthly payments of £271.83 and a final payment of £269.07. At the time of supply, the car was around nine and a half years old and had covered around 89,333 miles.

In March 2025, Ms M says she started experiencing issues with the car losing acceleration. She suspected a problem with the clutch and arranged a health check with a garage which didn't identify any problems. Around the same time Ms M contacted her broker for support but says she didn't hear back from them. She took the car to a main dealer the following month for a routine recall and a health check was carried out, which confirmed that a misfire was detected from the third cylinder. The dealer removed the spark plugs and found the third to be covered in oil. They said there may be an internal engine fault and recommended further investigations. Around this time, Ms M told the dealership she'd stopped driving the car as she felt it was unsafe.

She wrote to Autolend in May 2025 saying she wished to exercise her right to reject the car under the Consumer Rights Act 2015 (CRA). She also arranged for the car's spark plugs and ignition coils to be replaced on recommendation from another garage, but this didn't resolve the issue.

Autolend arranged an independent inspection of the car in August 2025. The engineer carried out a diagnostic confirming the cylinder misfire and noted that the engine management light (EML) was illuminated. They found evidence the car had suffered from internal engine damage and oil combustion as a result of wear – which could have been accelerated by the engine misfire and a lack of servicing and maintenance. They concluded that the fault wasn't present at the point of supply. They said the fault could have been resolved with a minor repair – but this was no longer possible as Ms M had continued to use the car causing further damage. Autolend told Ms M she had no right to reject the car, as it wasn't faulty at the point of supply.

The complaint was referred to this service. One of our Investigators considered the complaint and upheld it. They said they weren't persuaded by the findings of the independent engineer, as their conclusions seemed to be based on the misfire being diagnosed as early as February 2025 and Ms M continuing to use the car from that date with an illuminated EML – but there was no evidence to support this assertion. They found it more likely that the fault was developing at the point of supply and was satisfied the car was of an unsatisfactory quality. They said that given the length of time Ms M had been without use of the car, she should be allowed to reject it. They recommended Autolend reimburse the repair costs Ms M had incurred, that it refund the payments she'd made since she stopped using the car and that it pay her £200 compensation.

Autolend didn't accept the Investigator's conclusions and provided some further comments from the independent engineer. They noted their experience and qualifications and said that if there was a misfire at the point of supply, Ms M wouldn't have been able to drive it for as long as she did. They remained of the opinion that the misfire itself could have been resolved by replacing the spark plugs and ignition coils – but Ms M had chosen to continue driving the car for at least 75 miles, rendering it undrivable.

Our Investigator wasn't persuaded to change their opinion. They noted the engineer's comments were still based on the fault being diagnosed in February 2025, which Autolend hadn't demonstrated. Autolend asked that the complaint be referred to an Ombudsman for a final decision. So, it's 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.

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 decision on the balance of probabilities – what I think is more likely than not 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. Ms M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.

The CRA covers agreements such as the one Ms M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Ms M 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 case, the car was around nine and a half years old and had travelled nearly 90,000 miles at the point of supply. I think a reasonable person would expect a car of this age and mileage to have incurred significantly more wear and tear – and require repairs and maintenance sooner – than a newer or less travelled one would. But I don't think they'd expect the car to be supplied with any significant present or developing faults, and would expect the car to be reasonably durable and safe to drive.

It's not disputed in this case that the car has a fault and cannot be driven in its current state. It's clear the car suffered an engine misfire, and the independent engineer found evidence of oil combustion and engine damage. Under the CRA, faults which occur within six months from the point of supply are assumed to have been present at that time – unless there's evidence to demonstrate otherwise. Ms M says she first noticed the car starting to lose

power in March 2025 – under four months after the car was supplied. And she told Autolend she wanted to reject the car less than six months from the point of supply.

I've considered the findings of the independent engineer, who concluded – in summary – that the fault wasn't present at the point of supply and that it developed through misuse while in Ms M's possession. I note the engineer has confirmed their duty is to the courts – not Autolend, and I don't dispute their experience or qualifications. With that said, I need to determine whether I find the engineer's findings persuasive taking into account all other available evidence.

In their report, the engineer places significant weight on the engine misfire being diagnosed as early as February 2025 – and Ms M's choice to continue driving the car since that date with an illuminated EML. They repeated this assertion when responding to our Investigator's findings. Our Investigator noted the report contained no evidence of this beyond the engineer's comments – and I can't see that Autolend or the engineer has provided any further clarification on how these conclusions were reached.

Ms M has been consistent that she first noticed a problem in March 2025 – but she made no mention of the EML being illuminated at that time. She's provided a health check from her garage dated 12 March 2025. Based on this I'm satisfied she first experienced a problem after around three and a half months. The health check states no problems were found. I note the purpose of this inspection was to check the clutch – as Ms M assumed this was the likely issue. But I think if something as significant as the EML was illuminated at the time, or if the car wasn't safe to drive, it would've been noted in the report. There's no clear evidence to show the engine was already misfiring at that time – but given Ms M's comments it seems likely a fault was developing.

The next report is dated 24 April 2025 – around six weeks later. This report diagnoses an engine misfire – and from the evidence I've seen is the first time such a conclusion was reached. The report also says the misfire could indicate an internal engine failure – and doesn't suggest any misuse of the car by Ms M. As noted by our Investigator, the independent engineer's report doesn't explain or evidence the conclusion that the fault was diagnosed in February 2025 or that Ms M continued to drive the car as normal after the diagnosis. Based on the available evidence, I'm not persuaded by the engineer's conclusion here.

The engineer also notes that Ms M drove the car for 75 miles after the diagnosis – and that if she hadn't done so it's likely the problem would have been repaired by replacing the spark plugs and ignition coils, which would have prevented engine damage. This conclusion appears to be based on the mileage at the time of the engineer's report (92,874) which was 75 miles higher than it was when the misfire was first diagnosed. Ms M says any use of the car after the diagnosis was only to travel to garages for investigations and repairs. Given that she only travelled 75 miles in total between April and August 2025 I find this plausible.

While it's not disputed that some miles were driven after the diagnosis, I note that Ms M has provided an invoice for replacement spark plugs and ignition coils. This is dated 13 May 2025 and lists a mileage of 92,803, only four miles higher than when the misfire was diagnosed. The engineer states that Ms M's decision to drive 75 miles caused the problem to develop to the point that a minor repair wasn't possible. But Ms M had in fact arranged that same repair after only four miles – and that repair was unsuccessful. So, while some miles were travelled after the initial diagnosis, I'm not persuaded by the engineer's conclusion that this caused the problem to develop to the point that it did. Instead, I'm satisfied Ms M took reasonable steps to resolve the problem herself after it was diagnosed, which proved unsuccessful.

I think it's reasonable to assume the engine wasn't misfiring at the point of supply. If it was, it's very unlikely Ms M would've been able to drive for four months and over 3,000 miles without issue. But my considerations don't end there – I also need to consider whether a fault was developing at the point of supply and whether the car was sufficiently durable.

The exact cause and extent of the damage has yet to be determined. In their report, the independent engineer found evidence of oil combustion and internal engine damage – which they said is commonly caused by internal wear but *could* be accelerated by a misfire. They also noted that a lack of servicing and maintenance would contribute to this. While I haven't seen the car's full service history, given that Ms M only had the car a few months before the fault presented itself, I don't find it likely that it was caused by lack of maintenance on her part.

Given that Ms M took reasonable steps to repair the misfire shortly after it was diagnosed, I find it likely that the internal engine damage had already started to develop by that point. If that weren't the case, based on the engineer's comments it seems likely those repairs would've been successful, and that the problem wouldn't have continued to develop.

As the problem presented itself within just a few months of supply, I find it more likely than not that a fault was developing internally before that point. I don't find it likely that the engine would have misfired or developed internal damage within just a few months if a fault wasn't already developing at the point of supply. While I acknowledge the independent engineer reached a different conclusion, this is largely based on the premise that Ms M drove a significant distance after being aware of the engine misfire which caused the engine to deteriorate significantly in a short space of time – which I'm not persuaded by for the reasons I've explained. And as the fault presented itself within six months, in the absence of evidence to persuade me otherwise I'm satisfied it was already developing when the car was supplied to Ms M.

I don't think a reasonable person would expect a car of this age and mileage to suffer a significant engine failure within a few months of supply. So, I'm satisfied the car was of an unsatisfactory quality when it was supplied to Ms M.

Putting things right

For the reasons I've explained, I'm satisfied the car was of an unsatisfactory quality when it was supplied to Ms M. Ms M says she no longer wants the car, and her preference is to reject it.

Under the CRA, a consumer can reject a car that is of an unsatisfactory quality within 30 days of supply. After the first 30 days, the car can only be rejected after the business has had an opportunity to repair or replace it. If a repair is attempted and fails, the customer has the final right of rejection at that point. But any repairs should also be carried out within a reasonable time, and without significant inconvenience to the consumer.

Ms M first made Autolend aware of the problem in May 2025 – and she'd reported it to her broker and the dealership before that date. The car remains faulty, so I can't conclude that any repairs that happen now will have taken place within a reasonable time. Ms M has arranged to purchase a new car as this one couldn't be driven. The engineer's report also suggests that any repairs will be significant and costly – though the extent of those repairs has yet to be confirmed. Considering all of the circumstances I don't find that a repair would represent a reasonable or proportionate remedy. Instead, I think the fairest way forward would be for Ms M to be able to reject the car. This means Autolend should collect the car at no cost to Ms M and end the agreement, ensuring she isn't liable for any further payments. It should also refund the deposit.

Ms M says she stopped using the car on 15 April 2025 – and based on the findings of her garage and the independent engineer I’m satisfied it couldn’t be driven beyond this point. Between that date and the engineer’s report four months later, the car had only travelled 75 miles – which Ms M says was for garage appointments. I find this reasonable – and I’m satisfied Ms M hasn’t had significant use of the car. So, Autolend should refund any payments Ms M made towards the agreement after 15 April 2025. Ms M has also referred to some alternate transport costs she incurred – but as I’m already requiring Autolend to refund her payments for that period, it doesn’t need to refund these additional costs.

Ms M has provided a paid invoice for the spark plug and ignition coil replacement, which came to £355.08. I don’t think she’d have incurred this cost had she been supplied with a car that was of a satisfactory quality, so Autolend should reimburse it.

It’s also clear Ms M has been inconvenienced. She had to arrange multiple inspections herself as well as repairs which proved unsuccessful. I don’t think this would’ve happened had Autolend supplied her with a car that was of satisfactory quality. In the circumstances, I think Autolend should pay her a further £200 compensation to reflect the distress and inconvenience caused.

So, Autolend should:

- End the agreement ensuring Ms M is not liable for payments after the point of collection;
- collect the car at no additional cost to Ms M;
- remove any adverse information recorded on Ms M’s credit file in relation to this credit agreement, and the credit agreement should be marked as settled in full on her credit file, or something similar, and should not show as voluntary termination;
- refund the £277 deposit Ms M paid (if any part of this deposit is made up of funds paid through a dealer contribution, Autolend is entitled to retain that proportion of the deposit);
- refund all payments Ms M made from 15 April 2025 until the end of the agreement;
- refund the repair costs incurred by Ms M as outlined above (£355.08);
- apply 8% simple interest per annum to the above refunded amounts, calculated from the date Ms M made the payments to the date of settlement[†]; and
- pay Ms M an additional £200 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn’t of a satisfactory quality.

[†]If Autolend considers that tax should be deducted from the interest element of my award, it should provide Ms M with a certificate showing how much it has taken off so she can reclaim that amount, if she is eligible to do so.

My final decision

My final decision is that I uphold Ms M’s complaint. I require Lendable Ltd trading as Autolend to carry out the directions outlined above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms M to accept or reject my decision before 16 March 2026.

Stephen Billings
Ombudsman