

## The complaint

Mrs W complains about the quality of a used car she acquired through a hire purchase agreement with Lendable Ltd trading as Autolend (Autolend). Mrs W says the car was not of satisfactory quality and a repair has failed. She wants to be able to reject the car and receive compensation.

## What happened

Our Investigator thought the complaint should not be upheld. Mrs W disagreed with the Investigator's opinion. The complaint was then passed to me.

I issued my provisional decision saying that Mrs W's complaint should be upheld. A copy of the background to the complaint and my provisional findings are below in italics and form part of this final decision.

## What I said in my provisional decision:

*Mrs W's complaint is about the quality of a car she acquired in July 2024. The car was used, and it was first registered in December 2015. So, it was about eight and a half years old when Mrs W received it. It had covered 83,687 miles.*

*Mrs W acquired the car using a hire purchase agreement that was started in July 2024. The vehicle had a retail price of £10,064. Mrs W paid a £1,000 deposit meaning £9,064 was financed. This agreement was to be repaid through 60 monthly instalments; there were 59 instalments of £230.89 and a final instalment of £240.39. If Mrs W made repayments in line with the credit agreement, she would need to repay a total of £14,887.*

*Mrs W complained to Autolend about the quality of the car. Autolend has considered this complaint and has upheld it: it's done this over several final response letters (FRL). It said, in summary, after the first time the car broke down that it wasn't of satisfactory quality, but it had been repaired. It needed a further oil change Autolend provided Mrs W with money to pay for this. Mrs W experienced further problems with the car but these were likely due to wear and tear.*

*Mrs W didn't agree with this and brought her complaint to the Financial Ombudsman Service.*

*Our Investigator upheld Mrs W's complaint in part. He didn't think that Mrs W should be able to reject the car as the initial problems with the turbochargers were repaired satisfactorily. And the other problems Mrs W had were due to wear and tear of the car. He thought Mrs W should be paid some compensation for the distress and inconvenience she has suffered, but no more than this.*

*Mrs W didn't agree with the Investigator, and I've noted what she said. This matter has been passed to me to make a final decision.*

## What I've provisionally 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 need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was 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 and I'm providing only a brief summary of what has happened with the car here. 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.*

*The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Autolend as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.*

*The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.*

*To be considered 'satisfactory', the goods would 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 car's history.*

*The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of this.*

*This car was around eight and a half years old when Mrs W acquired it and it had travelled around 84,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.*

*But there's also a reasonable expectation that a vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new Mrs W should have been able to use it for a reasonable period before it needed significant work.*

*Below is a summary of the issues complained of by Mrs W and the investigation and repair work that has been carried out by various parties alongside what has happened in respect of the complaint where relevant.*

*It's established that the car had a fault with the turbochargers. I've gone on to consider if this means that the car wasn't of satisfactory quality and if Mrs W should have the opportunity to reject it and receive compensation alongside this.*

*Mrs W agreed the finance on 12 July 2024 and then viewed and collected the car on the 15 July 2024. The car broke down on 11 August 2024 and it was recovered to the dealership. It's established that the turbochargers and intercoolers were faulty and needed to be replaced or repaired. The car was returned to the dealership who attempted a repair.*

*Mrs W asked to reject the car on 12 August 2024, and I've seen a copy of the phone call she had with Autolend in which this is confirmed. At this point she says she was told by the credit broker, and Autolend, that she had to allow the car to be repaired as she was outside of the timeframe to exercise the short term right to reject the car. But section 22 of the CRA is clear that this timeframe starts when the finance is in place and the goods are supplied. From what I can see this would be the 15 July 2024 when she collected the car. Mrs W asked to reject the car within 30 days of this, and so she seems to have exercised her short term right to reject the car on 12 August 2024.*

*That said I must also accept that I do not have a complete record of all of the conversations that took place. Autolend has said that despite asking to reject the car Mrs W agreed to have it repaired. Mrs W says that this was due to the incorrect information she was provided about how long she had*

*to reject the car under the CRA short term right to reject goods. But I can't discount that Mrs W may have also agreed to the repair, even if this is only because no alternative was offered to her.*

*Mrs W received the car back on 24 August 2024. She drove it a very short time, but it began to display dashboard warning lights relating to the coolant system. Mrs W contacted the parties involved with the car and I've noted she again asked to reject the car due to this.*

*As Mrs W had moved out of the area it was arranged that the car would be looked at by a local garage, and this garage determined that parts of the coolant system had not been replaced following the turbocharger repair. This was then repaired.*

*And In September 2024 there was smoke emitting from car, a garage said that the oil may not have been changed as part of the turbocharger work as it should have been. Autolend agreed with this and provided Mrs W with £150 to cover this.*

*Given this, I think it's reasonable to say that the turbocharger and related system repairs were not completed properly. I'm not going to detail all of these as it's accepted that the repair was substandard by Autolend. This meant that the car was not of satisfactory quality again. And Autolend has acknowledged and agreed in it in its second final response issue on issued in October 2024, it says:*

*'I have decided to uphold your complaint because I don't think the vehicle was satisfactory at the time of sale or following the previous repair.'*

*The CRA is clear that the consumer has a final right to reject the car under these circumstances and Mrs W said that this is what she wanted to do when the car broke down, and again when the repair didn't adequately fix the car and make it of satisfactory quality. So Autolend should have allowed Mrs W to reject the car at this time. And I think compensation should be based on this.*

*This is a complex situation. I do need to say that we do try and put the consumers back in the position they would have been in had the business not made the mistake. But this can be difficult as this as it's not possible to undo what has happened. Mrs W has agreed to a finance agreement for a car, and she has used the car at times. So, the compensation should also fairly reflect this.*

*As a starting point Mrs W should be allowed to end the contract without any further cost to her. The car should be collected, again at no cost to Mrs W, and her deposit returned to her. Interest should be added to the deposit.*

*Mrs W drove the car throughout October and December 2024 without changing the oil. I don't think this changes her right to reject the car, as it's something the dealership should have done when it worked on the turbochargers. I don't think Mrs W should be held responsible for not rectifying the dealerships substandard repair.*

*In January 2025 a recovery company was called to the car as it was displaying warning lights. Investigations into the car later by a garage found that it had problems with the exhaust Gas regeneration system (EGR), the diesel particulate filter (DPF), that catalytic converter (CAT) was also degraded and may have damaged the DPF. The report said that the work on the turbo may have caused or contributed to these problems. The cost to repair these problems over two invoices was £586.61 and £2,146.52.*

*The garage that worked on the car in January 2025 noted that the timing chain was showing signs of wear.*

*I think if Mrs W had been able to reject the car she wouldn't have needed to pay these larger repair bills. Added to this, there is some indication that these repair bills were, at least in part, connected to the earlier turbocharger problems and the lack of an oil change. One of the invoices says:*

*'the vehicle had a turbo recently replaced and it is highly likely that excessive oil had bypassed the turbo causing the damage found.'*

*I appreciate that this isn't certain, and there is really no way of determining if there was a connection, but as I said, Mrs W should have been allowed to reject the car in any event and wouldn't have incurred these bills.*

*As part of the complaint process the car was considered by an independent reporting company. In March 2025 it produced a report about the car. This broadly said that there could still be problems with the turbochargers and the timing chain was showing signs of wear. It said the turbochargers should be investigated. I think this report broadly supports that the car wasn't of satisfactory quality due to the problems with the turbochargers.*

*However, the car was returned to the dealership to reconsider the turbocharger repair. The dealership has looked at the turbochargers again, said that it has tested them, and found no fault. The independent reporting company has accepted this, and said that the car was now likely to be of satisfactory quality as the repair was successful.*

*I don't think this was the right way to consider this. The point of an independent third party looking at a car is so that it can give an unbiased opinion about the quality of the car. The dealership is actively involved in this complaint and has an interest in the outcome of it. It may be correct about the condition of the car, but I can't reasonably say that it is an unbiased party here. And it was the business that made a substandard repair in the first place, and the car has had significant work since then. So, I don't think it would be right to put any weight on what it now says about the turbochargers, and the changes this precipitated to the outcome of the independent report.*

*I understand Mrs W hasn't used the car from 14 May 2025 onwards when it was sent back to the dealership to reconsider the work on the turbochargers. I understand the car has now been returned to her but she continues not to use it due to the suspected wear on the timing chain. I don't think this is unreasonable, given the earlier problems and breakdowns with the car, and not least that overarching all of this is that Mrs W should have been allowed to reject the car at a much earlier point. And it's worth noting that Mrs W has received advice that driving the car could be problematic.*

*Because of this Mrs W should receive back the amounts she paid to Autolend from 14 May 2025 onwards as she reasonably stopped using the car. I think it's fair that Autolend also cover her insurance costs and the vehicle excise duty she paid over this time. I've borne in mind when deciding this that the dealership seems to have driven the car for just under 3,000 miles over this period. It doesn't seem fair to me to ask Mrs W to pay for the car when all of this is the case.*

*Mrs W has said that she should receive back all of the amounts she repaid, I don't agree with this as she has had use of the car and so she should pay for some of this, I appreciate that this usage has not been without problems and I've noted that she's at times hired a car and has purchased a second car.*

*But, as I said above, this is a complex situation in that, on the one hand, I think Mrs W should have been able to reject the car at an earlier time. But to be fair here I do also have to factor in that Mrs W bought an older, often considered a prestige car, at the time of its life where it likely was going to need a significant amount of ongoing maintenance. For example, I don't agree that the timing chain coming to the end of its life, if it has done, would be a reason to say the car wasn't of satisfactory quality. And as I think she has been informed by her garage, repairs can be expensive for this make and model of car. So, I don't think Mrs W should receive further compensation for the quality of the car.*

*From what I've seen Autolend and the dealership feel strongly that Mrs W agreed to have the car repaired. And there is some evidence to support that it has been repaired, I've tried to reflect this in making some allowances for the fact that I don't think Mrs W should be compensated for all of the period the car was being repaired, and her alternative transport costs. This doesn't alter that Autolend should have allowed Mrs W to reject the car as she asked to do.*

*Mrs W was inconvenienced on several occasions by having to take the car back and forth to the garage and she wasn't kept mobile in a courtesy car. I can imagine it would have been very frustrating and stressful for the problems to keep re-occurring as they did. I think £300 for the distress and inconvenience she experienced is fair.*

## **Developments**

Autolend, and Mrs W, received my provisional decision. Mrs W agreed with what I had said. Autolend didn't disagree with my provisional decision, but it did request that deductions for damages and usage are considered as part of the vehicle rejection.

### **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.

Autolend, and Mrs W, didn't raise any new points about the merits of the complaint after receiving my provisional decision. So, I've reached the same conclusions I reached before, for the same reasons. I still think that Mrs W should be allowed to now reject the car and receive compensation for the reasons I gave in my provisional decision.

Autolend asked that any damages or payments for usage were considered. Autolend didn't provide any reasons as to why it thought the compensation should be amended in this way, or how this should be done. But it is normal practice when a car is returned to consider whether any damage it has is due to fair wear and tear. So, I've provided some clarity about these issues.

I'd already said that the contract should be ended and Mrs W shouldn't be liable for the payments going forward. This was largely because this car isn't being returned under normal circumstances and Mrs W has had significant problems with it over time. I don't think it would be fair to charge Mrs W any more for the use of the car when it has been problematic, and she has been actively trying to return it. I'm not persuaded that the compensation should be changed due to Mrs W's use of the car.

But if there is any damage to the car, that is not related to the problems Mrs W has had with it and have been incurred by her use of it and not by a third party, then it is fair that she pays for these. Any damage should be assessed using the British Vehicle Rental and Leasing Associations guidelines for fair wear and tear.

Autolend needs to bear in mind that car appears to have been used significantly by a third party without Mrs W's knowledge or apparent consent. Again, I don't think it would be fair for Mrs W to pay for any damage, above fair wear and tear, that was incurred over this period by this third party. If there is any.

Lastly, and perhaps most importantly, this situation needs to be drawn to a close, Autolend needs to ensure that the rejection of the car is handled reasonably given the above.

### **Putting things right**

Having thought about everything above along with what is fair and reasonable in the circumstances I uphold this complaint and direct Autolend to:

- End the finance agreement ensuring Mrs W is not liable for monthly rentals after the point of collection (it should refund them any overpayment for these if applicable).
- Take the car back (if that has not been done already) without charging for collection.
- Refund the customer's deposit/part exchange contribution of £1,000.
- Refund the customer all rentals for the period from 14 May 2025 date of settlement as the customer reasonably stopped using the car at this point.

- Refund the amounts Mrs W paid for car insurance and vehicle excise duty from 14 May 2025 until the date of settlement.
- Refund the customer £2,733.16 for additional expenses as directed in my findings (above), which have been incurred as a result of the inherent quality issues with the car.
- \*Pay 8% simple interest per year on all refunded amounts listed above from the date of payment until the date of settlement.
- Pay a further amount of £300 for any distress or inconvenience that's been caused due to the faulty goods.
- Remove any adverse information from the customer's credit file in relation to the agreement if applicable.

\*HM Revenue & Customs requires Autolend to take off tax from this interest. Autolend must give Mrs W a certificate showing how much tax it's taken off if she asks for one.

### **My final decision**

For the reasons I've explained above and in the provisional decision, I uphold Mrs W's complaint.

Lendable Ltd should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 16 April 2026.

Andy Burlinson  
**Ombudsman**