

The complaint

Mr M complains about the redress provided by Black Horse Limited, trading as Land Rover Financial Services (who I'll call Black Horse), and delays in receiving payments.

What happened

I issued my provisional decision on this complaint earlier in the year. An extract from that provisional decision is set out below.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

While I don't think there were excessive delays in processing any payment for the repairs that were completed on this car, and I don't think Mr M should be entitled to reject the vehicle, I do think the redress Black Horse set out in their final response to Mr M didn't adequately compensate him for the issues he experienced and, while I can see he accepted the resolution in that final response, I don't currently think it would be fair to hold him to that. So, I am expecting to tell Black Horse to put things right in a different way for Mr M. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

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.

Mr M acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Black Horse, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

Black Horse accepted that the failure's to the turbo, engine, and intercooler had been premature, and the car was, therefore, of unsatisfactory quality.

In those circumstances, the relevant law allows the business an opportunity to repair the goods and that's what Black Horse agreed to do. They agreed to cover any additional repair costs that weren't being covered by the manufacturer. The final response letter also said:

"If you've incurred any additional costs as a result of these issues such as a hire car, please send evidence of your payment via a bank statement or receipt for my

consideration”.

I don't think that response made it clear that hire car costs would be refunded. It simply suggests they would be considered. I've not seen that Mr M has provided any receipts for his hire car costs or other “additional costs”. He's explained to us that “During the time without vehicle I had to hire/borrow vehicles and eventually purchase another vehicle just to get around...”. If Mr M was borrowing a car he wouldn't be able to provide a receipt, but he would still be paying monthly instalments for the car that was being repaired. I don't think it is fair for Mr M to be paying for a car he wasn't able to use. I think it would be fairer, and in line with this Service's usual approach, if Black Horse refunded the finance instalments Mr M paid for the period the car was off the road. Mr M has explained that the car initially broke down on 9 April 2023 when he needed to call the recovery service. File notes suggests it was repaired and ready for collection on 26 June 2023 so Black Horse should refund any finance instalments paid during this period. They'll need to add interest to any refund as Mr M has been deprived of that money. If the car was ready for collection but couldn't be collected as payments hadn't been processed, then it would be unfair to penalise Mr M for that and Black Horse will need to refund finance instalments from 9 April 2023 until that extended collection date. As I'm expecting to ask Black Horse to refund finance instalments in respect of the lack of use Mr M had from the car, it follows that I'm not expecting to ask them to refund hire car costs.

Mr M has also explained that he has been paying extended warranty costs for the car while it has been off the road. I don't think they have been financed through the arrangement with Black Horse and I'm not expecting to ask for those payments to be refunded to him. They were contributions he could still have benefitted from while his car was being repaired and investigations were taking place.

The repair cost and delays

I've not seen evidence that Mr M paid any money to the dealership in respect of the balance due for the repair after the manufacturer's contribution. It seems he merely passed the invoice on to Black Horse. But if Mr M did make a payment then I think it would be reasonable for Black Horse to pay him interest on the payment from the date he paid it until the date it was repaid to him, as he will have been deprived of the money.

There doesn't appear to have been an excessive delay in making the payment and I'm not persuaded that means Mr M should be allowed to reject the car and terminate his finance agreement.

Compensation for distress and inconvenience

I think Black Horse's offer of £200 was reasonable in the circumstances. Although I accept that Mr M would have been inconvenienced by the issues with his car, Black Horse were relatively quick to accept responsibility for the remaining 10% of the bill, and their file notes suggest they responded reasonably promptly throughout the course of the complaint.

My provisional decision

For the reasons I've given above, I am expecting to uphold this complaint and tell Black Horse Limited to:

- *Refund any finance instalments paid by Mr M when he was unable to use his car between 9 April 2023 and the 26 June 2023 (or the extended collection date I've explained above). Add 8% simple interest* per year from the date of payment to the date of settlement.*

- *Pay Mr M £200 to compensate him for the distress and inconvenience caused unless they've already done that.*
- *If Mr M paid for any repairs and can evidence that payment to Black Horse, they should calculate 8% simple interest* per year for the period Mr M was deprived of the money until the date they refunded it to him, and pay that amount to Mr M.*

**If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.*

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.

Black Horse accepted my provisional decision and Mr M didn't provide any further information.

Putting things right

As I have not received any further information that would lead me to change my provisional decision, that provisional decision now becomes my final decision on this complaint.

My final decision

For the reasons I've given above, I uphold this complaint and tell Black Horse Limited to:

- Refund any finance instalments paid by Mr M when he was unable to use his car between 9 April 2023 and the 26 June 2023 (or the extended collection date I've explained above). Add 8% simple interest* per year from the date of payment to the date of settlement.
- Pay Mr M £200 to compensate him for the distress and inconvenience caused unless they've already done that.
- If Mr M paid for any repairs and can evidence that payment to Black Horse, they should calculate 8% simple interest* per year for the period Mr M was deprived of the money until the date they refunded it to him, and pay that amount to Mr M.

**If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 March 2024.

Phillip McMahon
Ombudsman