

The complaint

Mr A has complained about the quality of a car he acquired using finance from Black Horse Limited, trading as Land Rover Financial Services ('LRFS').

What happened

In July 2022, Mr A entered into a finance agreement for a new car. Unfortunately, in January 2023, it had to be returned to the dealership for the steering rack to be replaced. Soon after, the same happened again, and again the steering rack was replaced.

Mr A complained to LRFS in March 2023. But it rejected his complaint, as it said there was no evidence the faults were present, or developing, at the point of supply. It also implied that a tracker fitted from a third-party may have had some impact on the faults.

Mr A then complained to The Motor Ombudsman about Land Rover Group. In an adjudication dated 15 September 2023, it said there was no proof the tracker was impacting the fault, and that Mr A needed to be reimbursed by Land Rover Group for it having been unnecessarily removed.

On this basis, LRFS then reopened Mr A's complaint, and offered Mr A £300 compensation.

Mr A was unhappy with this, so brought his complaint to our service. To put things right, he wants to return the car.

One of our investigators looked into what had happened. He was satisfied that the car hadn't been of satisfactory quality at the point of supply, and it appeared Mr A and LRFS were now broadly in agreement about this. So, the question was, what should be done to put things right? Our investigator thought that the repairs had resolved the fault. And, while the car had been in for repairs, Mr A had the use of courtesy cars. Although one of the cars had less leg room, this was a very marginal difference. And although the cars weren't as clean as they could have been, it was still the case that Mr A was kept suitably mobile.

For these reasons, our investigator thought that LRFS's offer of £300 compensation had been fair to put things right.

Mr A responded to say that the issues with the steering rack were clearly not down to wear and tear, so he should have been able to reject the car. But instead, LRFS initially declined this request. Further, it said that if rejection happened, it would take nine months for the delivery of a replacement car of the same specifications, and he wouldn't be allowed to keep the original car in the meantime.

The complaint's now been passed to me.

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'm not upholding it. I know this will be very disappointing for Mr A, but I'll explain why.

It's no longer in dispute that the car wasn't of satisfactory quality at the point of supply. And, given that the initial repair didn't work, Mr A should have been able to reject it. However, it's also the case that the car has now been repaired, and I'm satisfied Mr A was kept mobile, in reasonably similar cars, during the repairs. And I also think it's reasonable for LRFS to have said Mr A couldn't continue to keep a car he'd rejected for a period of around nine months, until a replacement was ready.

So, I think it's more appropriate at this stage that Mr A receives compensation for the trouble and upset caused. Although this isn't an exact science, I think LRFS's offer of £300 is significant, and in line with what I'd have awarded.

I sympathise with Mr A's position, and it's clear that things went wrong. But, I think that £300 compensation is reasonable to put things right, at this point in time.

My final decision

It's my final decision that the £300 offered by Black Horse Limited, trading as Land Rover Financial Services, is fair. I leave it to Mr A to decide whether he'd like to accept it, if he hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 February 2025.

Elspeth Wood
Ombudsman