

The complaint

Mr T complains about the quality of a used car that was supplied through a Hire Purchase agreement with Black Horse Limited trading as Jaguar Financial Services (BHL).

What happened

In March 2023 Mr T acquired a used car through a hire purchase agreement with BHL. The car was about four years and six months old and had travelled 35,320 miles when it was supplied to Mr T. The cash price of the car was £35,045. A deposit is listed as £11,100. So, the total amount financed on the agreement was £23,945.

Mr T was due to make 43 repayments of £479.73.

Mr T said that in August 2023, the car failed to start after having driven it for around two thousand miles. Mr T said he was told by the dealership the issue was battery failure and that they were waiting for parts. In October 2023 Mr T said the dealership told him further parts were required, however Mr T decided to request that he be able to reject the car as he was concerned about its quality and condition.

Mr T said he was told the car was repaired and ready for collection in November 2023. However, he believed he was treated unfairly having been sold a car that was faulty which has given him a stressful experience.

In December 2023, BHL issued their final response. In summary they confirmed the issues raised by Mr T related to:

- A faulty battery
- Concerns with the brake discs
- A faulty bonnet
- Issues with the alloy Wheel carbon fibre cover
- Condensation concerns

BHL upheld the issues with the battery as they considered it to be plausible the issue was present or developing when the car was supplied. They didn't uphold any of the other issues reported as they said there was either no evidence of a fault or that they were present or developing when the car was supplied. BHL confirmed they would make a payment of £217 for distress and inconvenience caused along with a reimbursement of costs incurred.

Unhappy with their decision, Mr T brought his complaint to our service for investigation, where it was passed to one of our investigators.

The investigator recommended that Mr T's complaint should not be upheld. The investigator concluded that the car wasn't of satisfactory quality when it was supplied, however, as repairs had been carried out on the car, they believed BHL had provided a sufficient resolution.

Mr T didn't accept the investigator's assessment. He responded to say that he requested a rejection of the car prior to the repair being completed. However, as the investigator's assessment remained unchanged, Mr T asked for his complaint to be considered by an ombudsman.

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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been 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. 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 T complains about a Hire Purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr T's complaint about BHL. BHL is also the supplier of the goods under this agreement, and is responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods 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 vehicle's history.

Here, the car was acquired used, with a cash price of around £35,000 and with 35,320 miles. So, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage. Having said that, the car was priced at £35,045 which isn't insignificant. So, I think a reasonable person would also expect it could be used free from any major issues for a reasonable period of time.

From the information provided I'm satisfied there was a fault with the car. This is apparent from the job card dated in August 2023 which confirmed issues with the battery, affecting the operation of the car. The job card also advised of issues with the bonnet and wheel trim. Both parties have also accepted there were faults with the car so I don't consider that this point is in dispute. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

Satisfactory quality

In their final response, BHL have already said they believe it's plausible the car wasn't of satisfactory quality when it was supplied because of the battery issue. Mr T hasn't disputed

this point. However, what appears to be in dispute is whether BHL acted fairly by not facilitating a rejection of the car for Mr T.

Under the CRA, Mr T would be allowed a rejection if this was requested within the first 30 days after supply. However, Mr T confirmed he requested a rejection of the car in October 2023 (seven months after supply). Although he requested a rejection before the repairs were completed, I think it's reasonable to conclude that Mr T and the dealership had already agreed for the car to be repaired. And the dealership was in the process of arranging its repair.

Under the CRA, where the goods do not conform to the contract, and more than 30 days has passed since supply, the trader is afforded an opportunity to repair the goods (in this case the car). Which is what they've done. Mr T has also confirmed this to us. I've also seen no evidence that the repair was unsuccessful or unreasonably delayed, so I don't think BHL have acted unfairly in not supporting a rejection in this instance.

I don't think BHL could be held responsible for the delays to obtaining certain parts, and I can see that Mr T was provided with a courtesy car for the repairs, so was kept mobile.

Mr T reported other issues with the car, all which BHL have confirmed to us has been repaired, besides the condensation issues which Mr T was advised to monitor. I've not seen any evidence to the contrary, or that the other issues were present or developing at the point of sale.

BHL have agreed to pay Mr T some compensation for inconvenience and costs incurred. Having considered the circumstances of this complaint, I think this is fair in all the circumstances. All things considered, I'm satisfied that BHL have acted fairly under the CRA and so I won't be instructing them to take any further action in relation to this complaint.

My final decision

My final decision is that I don't uphold Mr T's complaint about Black Horse Limited trading as Jaguar Financial Services

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 February 2025.

Benjamin John
Ombudsman