

The complaint

Mrs W is unhappy that a car supplied to her under a hire purchase agreement with Black Horse Limited trading as Land Rover Financial Services was of an unsatisfactory quality.

What happened

In December 2022, Mrs W was supplied with a used car through a hire purchase agreement with Black Horse. She paid a £3,000 deposit and the agreement was for £39,495 over 60 months; with 48 monthly payments of £823.73. At the time of supply, the car was just over five years old and had done 45,495 miles.

Before the car was supplied to Mrs W, it had been serviced on 31 October 2022 And, in November 2022, a new tyre was fitted, and the front and rear brake discs and pads were replaced.

Mrs W has said that the car had numerous faults when it was supplied to her – photographic evidence shows an ABS, an emergency brake assist, an AEB, a stability control, an ATPC, an HDC, and a forward assist warning message at 46,037 miles. The supplying dealership investigated these issues on 14 December 2022, when the car had done 46,101 miles. A new throttle housing and ABS sensor were fitted at no cost to Mrs W.

Mrs W complained to the dealership about squeaking brakes in March 2023, which was found to be a loose heatshield which was repaired. The car subsequently displayed a low battery warning message when it had done 49,941 miles. The battery was found to be faulty and was replaced at no cost to Mrs W. The water pump and sensor were replaced on 19 October 2023, as the car had overheated. The car was then serviced on 25 October 2023, when it had done 54,073 miles. The key fob battery was replaced, but no other issues were identified with the car at this point.

The car broke down on 25 November 2023, when it had done 54,902 miles, and an active dynamics fault warning message was displayed. The car broke down again on 15 December 2023, at 55,320 miles, with a power steering warning message displayed. A subsequent inspection identified that a replacement steering rack was needed, and that this had caused the power steering to fail.

Mrs W had complained to Black Horse on 27 November 2023. While they agreed there were some issues with the car shortly after it was supplied, which had since been repaired at no cost to Mrs W; they didn't think they were responsible for the issues with the brakes, heatshield, battery, adaptive dynamics, power steering, or coolant pump. And they offered her £150 compensation for the distress and inconvenience she'd been caused.

Mrs W wasn't happy with Black Horse's response, she brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator said that, while there were clearly issues with the car when it was supplied, these were resolved within a few weeks of supply. Mrs W had then been able to drive the car for a number of months, and around 2,500 miles, before any further issues occurred. The

investigator didn't think there was any evidence the subsequent faults with the car were present or developing when the car was supplied to Mrs W. As such, they said that the £150 compensation offered by Black Horse was reasonable in the circumstances, and that no further action was required.

Mrs W didn't agree with the investigator's opinion. She said the car has had an active dynamics fault since December 2022. She's provided evidence of warning messages for this at 55,228 and 55,394 miles. Based on the other mileage evidence provided, these warning messages occurred at some point around mid-December 2023. The warning message appeared again at 56,774 miles, and the photographic evidence shows that was in May 2024. Mrs W also provided evidence to show that she raised the adaptive dynamics issue with the supplying dealership in April 2024, and that a repair took place on 20 April 2024.

The investigator considered this, but they didn't change their opinion, as there was nothing to show there was any adaptive dynamics fault from when the car was supplied. Mrs W continued to disagree with the investigator's opinion, and this matter has 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. 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 view on the balance of probabilities – what I think is most likely 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. Mrs W was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Black Horse are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Black Horse can show otherwise. So, if I thought the car was faulty when Mrs W 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 Black Horse to put this right.

The evidence I've seen shows there was some initial issues with the car that were fixed in December 2022, shortly after the car was supplied to Mrs W. The CRA allows Black Horse a right of repair, so I don't think they've done anything wrong by having the car repaired at this stage. And I'm satisfied the £150 they offered as compensation for this was reasonable in the circumstances.

Since these initial repairs, Mrs W has experienced the following issues with the car:

- March 2023 – squeaking brakes and a noise that resulted from a loose heatshield.
- August 2023 – battery replacement required.
- October 2023 – car overheated and a new water pump and sensor were needed.
- November 2023 – breakdown caused by an active dynamics fault.
- December 2023 – breakdown caused by a failed steering rack.

As I've explained above, where there is a fault with the car that occurs more than six months after supply, it's for Mrs W to show that this was present or developing at the point of supply. Of the issues with the car Mrs W has suffered since the initial repairs in December 2022, only the loose heatshield occurred within the first six months after supply. The car was fitted with new brake pads and discs in October 2022, so I think it's more likely than not that the noise Mrs W attributed to the brakes was actually down to the loose heatshield, which was fixed at no cost to her. What's more, Mrs W hasn't complained about this issue after the repair that took place on 28 March 2023. As such, I'm also satisfied that Black Horse don't need to take any further action on this point.

As I've said, all the remaining issues with the car occurred more than six months after supply. So, it's for Mrs W to show these issues were present or developing at the point of supply. While the evidence she's provided clearly show the issues, they don't indicate or show that they are as the result of a fault that was present or developing in December 2022. What's more there is no other evidence, such as an independent engineer's report, that shows this was the case.

The battery, water pump, adaptive dynamic module, and steering rack are all items that suffer from in-service wear and tear and will require replacement over the life of a vehicle. The expected lifespan of these parts depends on how the vehicle is used, for example urban driving with regular cornering will wear a steering rack more than motorway driving with limited, and more gentle cornering. The car was around six years old and had done approaching 60,000 miles when these faults occurred. I don't think the age and mileage of the car was such that mechanical breakdowns of this nature would be wholly unexpected. As such, I don't think the car was insufficiently durable when it was supplied.

So, and while I appreciate this will come as a disappointment to Mrs W, I won't be asking Black Horse to take any further action. If she hasn't already done so, it's now for Mrs W to decide whether or not to accept the offer of £150 compensation.

My final decision

For the reasons explained, I don't uphold Mrs W's complaint about Black Horse Limited trading as Land Rover Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 25 February 2025.

Andrew Burford
Ombudsman