

## **The complaint**

Miss C complains that a car that was supplied to her under a hire purchase agreement with Black Horse Limited, trading as Land Rover Financial Services, wasn't of satisfactory quality.

## **What happened**

A used car was supplied to Miss C under a hire purchase agreement with Land Rover Financial Services that she electronically signed in March 2023. The price of the car was £22,858, Miss C paid a deposit of £1,700 and she agreed to make 38 monthly payments of £445.51 and a final payment of £9,496 to Land Rover Financial Services.

Miss C complained to the dealer about some issues with the car, including a faulty battery, later that month and she complained to it about issues with the stop/start function in July 2023. The car's battery was replaced in October 2023 but the diesel particulate filter warning light came on in January 2024 so Miss C took the car to another of the manufacturer's dealers and it said that the diesel particulate filter needed to be replaced. It also said that the timing chain needed to be repaired. A claim was made under the car's warranty for the timing chain repair but the claim wasn't accepted because the car's oil level was very low and the service light was also illuminated. Miss C says that she hasn't used the car since January 2024 and the car's MOT certificate expired in March 2024.

Miss C complained to Land Rover Financial Services about the issues with the car, and some other issues, in March 2024 but it didn't uphold her complaint. It said that the fault wasn't present or developing at the point of sale and the onus was on Miss C to provide evidence that the concerns were present or developing at the time of sale. Miss C wasn't satisfied with its response so complained to this service. Land Rover Financial Services then offered to refund £234.36, with interest, to Miss C and to pay her £50 for the distress caused because of issues with the delivery date of the car and to refund £356.41 to Miss C and to pay her £150 for the inconvenience experienced by the issues with the stop/start function.

Miss C's complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Land Rover Financial Services had acted fairly. He said that there was a fault with the car and that he thought that the car wasn't of satisfactory quality when supplied so Miss C should be able to reject it. He recommended that, in addition to the offers that it had made, Land Rover Financial Services should: end the agreement and collect the car; refund Miss C's deposit and all rentals for the period from 6 January 2024, with interest; pay Miss C a further £100 for any distress or inconvenience that's been caused; and remove any adverse information from Miss C's credit file in relation to the agreement.

Land Rover Financial Services hasn't accepted the investigator's recommendation and has asked for this complaint to be considered by an ombudsman. It has provided a detailed response to the investigator's findings about the diesel particulate filter and its warning lights.

## **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.

Land Rover Financial Services, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Miss C. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Miss C was nearly five years old, had been driven for 44,288 miles and had a price of £22,858. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

The car was serviced by the dealer and it passed an MOT test before it was supplied to Miss C. The dealer's internal invoice for used car preparation shows that it was a 63,000 mile service and that the diesel particulate filter was replaced and the car's oil was changed. Miss C complained to the dealer about some issues with the car, including a faulty battery, later that month and she complained to it about issues with the stop/start function in July 2023. The car's battery was replaced in October 2023. After Miss C had complained to this service, Land Rover Financial Services said that it would offer to refund £234.36, with interest, to Miss C and to pay her £50 for the distress caused because of issues with the delivery date of the car and to refund £356.41 to Miss C and to pay her £150 for the inconvenience experienced by the issues with the stop/start function.

I understand that the car's diesel particulate filter warning light came on and that the car had to be recovered to another of the manufacturer's dealers on 6 January 2024 and that the car's mileage at that time was 49,128 miles. That was less than eight months after the car had been supplied to Miss C. That dealer said that the diesel particulate filter needed to be replaced and it also identified issues with the timing chain and said that it needed to be repaired.

Land Rover Financial Services says that the diesel particulate filter warning light went straight to red because the filter was full and Miss C wasn't driving the car sufficiently for it to reach operating temperatures to display an amber warning. It also says that the warranty assessor confirmed that the oil level had been allowed to fall to a low level so the warranty wouldn't cover any issues with the timing chain. Land Rover Financial Services has also said that oil dilution is a consequence of the car not being allowed to clean its own filters by the short journeys that it has been subjected to, and that's not a fault with the car as it's designed to operate in such a way to meet the requirements of environmental protection laws.

I've carefully considered all that Land Rover Financial Services has said but the car had been serviced by the dealer before it was supplied to Miss C, the diesel particulate filter was replaced and the car's oil was changed, but the car then needed a new battery, there with issues with the stop/start function, the diesel particulate filter needs to be replaced again and the timing chain needs to be repaired. I don't consider that it's fair or reasonable to expect a car that cost £22,858 and was less than five years old, with a mileage of 44,288 miles when it was supplied, to require so much work after less than eight months and 4,840 miles of use. The government's website shows that annual average car mileage in the UK in 2023 was 7,000 miles so it looks to me as though Miss C had driven about average mileage in the period from May 2023 to January 2024 that she was able to use the car. I understand that Miss C hasn't used the car since the issue with the diesel particulate filter stated in January 2024 and I can see that the car's MOT certificate expired in March 2024.

In these circumstances, I consider it to be more likely than not that the issues with the car caused it not to have been of satisfactory quality when it was supplied to Miss C and that Land Rover Financial Services should allow her to reject the car and to take the actions

described below. Miss C has also complained about other issues, including that the car was misrepresented to her, but as I've said that she should be able to reject the car, I haven't made any findings on those other issues in this decision.

### **Putting things right**

I find that it would be fair and reasonable for Land Rover Financial Services to end the hire purchase agreement and arrange for the car to be collected, both at no cost to Miss C. The hire purchase agreement shows that Miss C paid a deposit of £1,700 for the car. I find that it would be fair and reasonable for Land Rover Financial Services to refund that deposit to Miss C and to pay interest on the amount to be refunded.

Miss C hasn't been able to use the car since the issue with the diesel particulate filter started on 6 January 2024. I find that it would be fair and reasonable for Land Rover Financial Services to refund to Miss C all of the payments that she's made under the hire purchase agreement for the period from 6 January 2024 and that it should also pay interest on the amounts to be refunded.

Land Rover Financial Services has offered to refund £234.36, with interest, to Miss C and to pay her £50 for the distress caused because of issues with the delivery date of the car and to refund £356.41 to Miss C and to pay her £150 for the inconvenience experienced by the issues with the stop/start function. I find that it would be fair and reasonable for it to take those actions.

These events have clearly caused distress and inconvenience for Miss C and the investigator recommended that, in addition to the compensation that it had already offered to Miss C, Land Rover Financial Services should pay a further £100 to Miss C to compensate her for the distress and inconvenience that she's been caused. I find that to be fair and reasonable in these circumstances. Land Rover Financial Services should also ensure that any adverse information that it's reported to the credit reference agencies about the hire purchase agreement is removed from Miss C's credit file.

### **My final decision**

My decision is that I uphold Miss C's complaint and I order Black Horse Limited, trading as Land Rover Financial Services, to:

1. End the hire purchase agreement and arrange for the car to be collected, both at no cost to Miss C.
2. Refund to Miss C the deposit that she paid for the car.
3. Refund to Miss C the monthly payments that she's made under the hire purchase agreement for the period from 6 January 2024.
4. Pay interest on the amounts at 2 and 3 above at an annual rate of 8% simple from the date of each payment to the date of settlement.
5. Refund to Miss C the amounts of £234.36 and £356.41 that it has offered to pay to her.
6. Pay interest on the amounts at 5 above at an annual rate of 8% simple from the date to which the refunds relate to the date of settlement.
7. Pay to Miss C the compensation of £50 and £150 that it has offered to pay to her.

8. Pay a further £100 to Miss C to compensate her for the distress and inconvenience that she's been caused.
9. Ensure that any adverse information that it's reported to the credit reference agencies about the hire purchase agreement is removed from Miss C's credit file.

HM Revenue & Customs requires Land Rover Financial Services to deduct tax from the interest payments referred to above. Land Rover Financial Services must give Miss C a certificate showing how much tax it's deducted if she asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 1 May 2025.

Jarrold Hastings

**Ombudsman**