

The complaint

Miss M is unhappy that a car supplied to her under a hire purchase agreement with Black Horse Limited was of an unsatisfactory quality.

What happened

In July 2022, Miss M was supplied with a used car through a hire purchase agreement with Black Horse. She paid a £350 deposit, and the agreement was for £12,649 over 60 months with monthly payments of £282.62. At the time of supply, the car was just over eight years old, and had done 69,173 miles (according to the mileage recorded on the agreement).

The car broke down the day after it was supplied to Miss M, and it was repaired by the supplying dealership. The car broke down again in November 2022 due to an issue with the clutch, and this was repaired under warranty. The car broke down a further time in March 2023, and Miss M says the dealership wouldn't help her, so she complained to Black Horse.

Black Horse didn't uphold the complaint as there was no evidence the current issues with the car were present or developing when the car was supplied to Miss M. Unhappy with this response, Miss M brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator said the breakdown in March 2023 was caused by a failed auxiliary belt. As Miss M had been able to drive the car for almost 16,000 miles before this failed, the investigator didn't think the fault was present when the car was supplied to Miss M, and if it had been then the part would likely have failed sooner. So, the investigator thought the breakdown in March 2023 had been caused by normal wear and tear, something Black Horse weren't responsible for.

The investigator also said we were unable to consider the issues about the rear camera, steering rack, worn electric band, and solenoid as they haven't been raised with Black Horse, and Black Horse need to have the opportunity to consider all complaints before we get involved.

Miss M didn't agree with the investigator's opinion but didn't say why this was the case. Instead, she asked that the matter be passed to an ombudsman 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. Miss M 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 Miss M 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.

It's not disputed that the car broke down in July and November 2022, nor that repairs were undertaken at no cost to Miss M. These repairs were replacement of some suspension components and a replacement of the clutch. I've noted that the car was also checked for potential overheating on two occasions, but no faults were found.

When the car broke down in March 2023, this was as a result of a failed auxiliary belt that had caused the engine to overheat and cut out. However, once the belt and water pump were replaced, this fixed the issue, and the car passed an hour-long temperature test.

Section 24(5) of the CRA says "*a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not confirm to contract.*" This is known as the single chance of repair. If this single chance of repair fails then, in this instance, Black Horse would be responsible, and I'd be looking for them to do something to put things right.

While it's not disputed that the car broke down in March 2023, as this was more than six months after the car was supplied to Miss M, as explained above, it's her responsibility under the CRA to show that this was as a result of an issue that was present or developing when the car was supplied to her, or was as a result of the single chance of repair failing. However, the diagnostic and repair report dated 5 April 2023 doesn't state this was the case. What's more, I haven't seen any further evidence, for example an independent engineer's report, that shows the auxiliary belt fault was present or developing in July 2022, or failed as a result of the repairs that had been done on the car.

I've also considered if the auxiliary belt was sufficiently durable. I've noted that when it failed the car had travelled 84,880 miles – 15,707 miles since it was supplied to Miss M. As this isn't a part that would be expected to last the lifetime of the car and would deteriorate and therefore require replacement due to usage, I don't think it's unreasonable to expect to have to replace it more after than 80,000 miles. What's more, I don't think it likely that Miss M would've been able to travel almost 16,000 miles if the auxiliary belt was faulty when the car was supplied to her. As such, I'm satisfied the auxiliary belt was sufficiently durable.

As such, and while I appreciate this will come as a disappointment to Miss M, I'm satisfied that the car supplied to her by Black Horse was of a satisfactory quality, and I won't be asking them to do anything more.

Finally, I would also confirm that our rules don't allow us to look into a complaint unless the financial business has had the opportunity to deal with this first. As such, unless and until Miss M has raised her latest issues with the car with Black Horse, we are unable to deal with any complaints about them.

My final decision

For the reasons explained, I don't uphold Miss M's complaint about Black Horse Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 May 2025.

Andrew Burford
Ombudsman