

## **The complaint**

Mr M complains that a car acquired under a hire purchase agreement with Black Horse Limited trading as Land Rover Financial Services (LRFS) wasn't of satisfactory quality when it was supplied to him.

Mr M has been represented in this complaint. But for ease of reading, I will refer to Mr M only within this decision.

## **What happened**

The parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In May 2023, Mr M entered into an agreement to acquire a used car from a dealership (L). He paid a deposit for the car, with the balance being provided under a hire purchase agreement with LRFS. The car was three years old and covered approximately 11,900 miles when Mr M acquired it. The agreement was for 60 months, and the cash price of the car was £31,956.50.

The car was delivered to Mr M, and the engine management light (EML) was on. He spoke to L about this, and they advised him to speak to his local manufacturer-approved dealer. Mr M did this, and the car was taken in to have the diesel particulate filter (DPF) and associated parts replaced. L bore the cost of these repairs.

In November 2023 Mr M experienced more problems with the car. The mileage at this point was approximately 15,000. He arranged for an independent inspection of the car and raised a complaint with LRFS in early December 2023. He told them the EML was on, there were problems with the media display screens, and he felt the odometer was faulty and was showing the incorrect mileage. Mr M wanted to reject the car at this point.

LRFS responded to Mr M's complaint and didn't uphold it. They said the EML was on in relation to problems with the DPF regeneration, and this had been caused by Mr M's driving style. They accepted the initial DPF replacement in May 2023 suggested the car wasn't of satisfactory quality when it had been supplied, but repairs had been completed, and the new issue with the DPF wasn't as a result of those repairs. They also said the independent report was inconclusive as to when the other faults had occurred. As such, LRFS said they couldn't conclude they were present at the point of supply and accepted no liability for them. However, they did offer Mr M £389.09 to reflect the loss of use of the car and the inconvenience he'd experienced while it was at the dealership for the initial DPF repair, along with acknowledgement of LRFS taking too long to answer his complaint.

Mr M didn't accept and brought his complaint to our service. Our investigator didn't uphold it. She said that LRFS had accepted the car wasn't of satisfactory quality when it had been supplied to Mr M, and the cost of replacing the DPF had been covered by L. She said the evidence provided didn't confirm any other faults with the car had been present when it had been supplied to Mr M, so she didn't ask LRFS to do anything more.

Mr M disagreed with this. He said the car hadn't been of satisfactory quality since he'd acquired it, and he was paying a lot of money for a car that wasn't up to standard and had continuous problems since it had been supplied.

As Mr M didn't agree, the complaint 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.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

The fact the car was supplied to Mr M under a hire purchase agreement means that the credit provider has responsibility for things that were said or done by L prior to Mr M's entry into the agreement.

I think it's worth starting by explaining that I'm only looking at LRFS's responsibility here as the finance provider for the car. Mr M has voiced concerns about L and his local dealership and has been engaged in a lot of conversation with them post-sale – but at that time L weren't acting as agents of LRFS, and LRFS can't be held responsible for anything L have said or done post-sale.

As the hire purchase agreement entered by Mr M is a regulated consumer credit agreement this service is able to consider complaints relating to it. LRFS are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr M entered. Because LRFS supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as – amongst other things – the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

But on the other hand, satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr M's case, the car was used and had covered approximately 11,900 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that, ultimately, she thinks the car is of satisfactory quality even though she was satisfied the initial DPF replacement meant the car was unsatisfactory at the point of supply. It's accepted by both parties that the car wasn't of satisfactory quality when it was supplied, due to the DPF and associated parts needing to be replaced so soon after supply. For the avoidance of doubt, I'm satisfied with this outcome too.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, LRFS in this case, can prove otherwise. However, the CRA allows for one opportunity to repair the goods to bring them back into conformity with the contract. And in this case, the repairs completed to the DPF in June 2023 did bring the car back into conformity with the contract, and no further issues were identified for several months.

Mr M brought the further problems with the car to LRFS's attention in December 2023, seven months after he'd been supplied with it. So, I need to consider if LRFS have done what I'd expect them to have done once they were aware there were more problems with the car. As this was outside of six months since he'd been supplied with the car, it was for Mr M to prove any faults had been present at the point of supply.

Mr M arranged for an independent inspection. The car had covered approximately 15,000 miles at this time. And this inspection did identify numerous error codes during a diagnostics test, some in relation to the media display screens. It also explained that the DPF was running below the specified threshold. The report suggested the car should be returned to the seller as the faults should have been identified prior to supply of the car. But the report also states that the car had only been in Mr M's possession for a few weeks, and that Mr M had confirmed this. But the car had been in Mr M's possession for seven months at this point.

Because of that, I'm not persuaded that the report provides accurate information as to when any faults would have occurred. There is a significant difference between the time Mr M told the independent inspector he'd had the car and the actual time it had been in his possession. As such, the report isn't conclusive as to when any of the faults would have occurred, and I'm more satisfied than not that the issues with the media display screens hadn't been present at the point of supply. I say this because the job cards provided by LRFS and Mr M only show the media display screens needed an upgrade when the car was returned to the local dealership in January 2024. There isn't anything provided in the evidence to show the media display screens had been faulty prior to this.

Mr M has said the car was returned to the local dealership in January 2024 for further repair to the DPF, suggesting the initial repair had failed. LRFS have disputed this and said the DPF needed assessing because of Mr M's driving style and the length of journeys being taken in the car. The job card from the dealership in January 2024 confirms the EML light was on – but it doesn't provide any reason for this. It could have been for a number of reasons, but it isn't specifically linked to the DPF. And it doesn't confirm what repairs or replacement were needed, if any, or if the DPF had needed to be regenerated to clear it. This is a crucial difference in this case. I'm not persuaded that a DPF regeneration should be considered as an attempt to repair. I say this because a regeneration of the DPF could be required for a variety of reasons – driving style, length of journeys and how much fuel the car is carrying are all reasons why the DPF may become blocked.

As I've mentioned previously, the onus is on Mr M to show that the initial repairs to the DPF have failed. And whilst he's provided a job card from the dealership showing the EML was illuminated in January 2024, he hasn't provided any evidence to show why this was or what work was carried out to fix it. So, it follows that I can't conclude the initial repairs to the DPF have failed, and Mr M can exercise his final right to reject the car. I can only conclude that if I'm satisfied it's more likely than not to have happened – and in this case I don't have sufficient evidence available to me. Because of that, I can't conclude the car is now of unsatisfactory quality and Mr M should be allowed to reject it.

Mr M has said the odometer is showing the incorrect mileage. I haven't seen sufficient evidence to, firstly, suggest there is a fault with the mileage recorded and, secondly, that if it is faulty, it's been so since the point the car was supplied to Mr M. I accept that the media display screens have become faulty. But this wasn't brought to LRFS's attention until Mr M had had the car for seven months – and his own report is inconclusive as to when the faults might have occurred as it isn't based on accurate information. So, it follows that I can't conclude the fault with the media display screen was present when the car was supplied to Mr M, and therefore I can't conclude the car is of unsatisfactory quality.

I know this decision will come as a significant disappointment to Mr M, and he has a car that he's had to continue to pay for. But I can only conclude the car isn't satisfactory if there is sufficient evidence, and I've explained above why I'm not persuaded that's the case here. I won't be asking LRFS to do anything more.

LRFS have already made an offer of £389.09 to settle the complaint. Mr M should contact LRFS directly if he wishes to accept this.

### **My final decision**

For the reasons above, I don't uphold this complaint. Black Horse Limited trading as Land Rover Financial Services don't need to do anything to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 June 2025.

Kevin Parmenter  
**Ombudsman**