

## The complaint

Mrs H is unhappy with the quality of a caravan supplied under a hire purchase agreement provided by Black Horse Limited.

## What happened

Around the beginning of June 2023 Mrs H acquired a brand new caravan under a hire purchase agreement with Black Horse. The caravan cost £28,544. The agreement shows Mrs H paid a total deposit of £10,500 and Mrs H was due to make repayments of £378.76 a month for 60 months.

Unfortunately, Mrs H says she soon noticed multiple issues with the caravan. She says she raised the problems with the dealer within a couple of days of getting the caravan and it was returned for repairs. But Mrs H said it was handed back with more faults. Mrs H said she asked to reject the caravan, but this was declined.

Mrs H complained to Black Horse. It arranged an independent inspection which took place at the end of September 2023. This noted issues raised with the following areas, and in summary said about them:

- Drawer under wardrobe – *fault present, 'snagging issue'*
- 12-volt connection – *repaired to industry standard*
- Left hand seat not being screwed down – *repaired to industry standard*
- Screws missing under dinette – *most likely accidental damage but unclear from who*
- Worktop under TV damaged – *fault present, dealer agreed to replace*
- Blind not folding – *no fault*
- Window not closing – *no fault*
- Bed slats not pulling out – *fault present, further investigation needed*
- Fridge not working – *no fault*
- Right hand seat not screwed down – *repaired to industry standard*
- Driver side motor fell off – *user error due to accidental grounding of caravan*

Black Horse sent its final response at the beginning of October 2023 and did not uphold the complaint.

Black Horse said, in summary, that the independent inspection said some of the issues had been repaired, some had been looked at and identified as not having a fault and some were due to user error.

Black Horse also said it believed some issues weren't 'faults' and were part of the usual "snagging process" of buying a caravan.

Mrs H raised the complaint to our service. She reiterated that she did not want to accept the caravan back and had asked to reject it. She said that after the dealer had the caravan, she had collected it in mid October 2023, but it still had issues with the bed slats and fridge door. And she said a door which had been repaired no longer had a soft close fitted.

Our investigator issued an opinion and upheld the complaint. In summary, she said she thought the caravan had faults when supplied that hadn't been rectified by repairs. She said she thought this meant the caravan wasn't of satisfactory quality. Our investigator said Mrs H should be allowed to reject the caravan, and be reimbursed 30% of all the repayments made to the agreement. She also said Black Horse should pay £200 to reflect the distress and inconvenience caused.

Mrs H replied and said she paid an additional £500 as a cash deposit. She said she paid £495 for the "motor mover" and asked that this would be reimbursed. Mrs H said she'd only used the caravan three times because of the issues with the bed, so thought she should get back more than 30% of the repayments. And she said she hadn't used the caravan at all since August 2023.

Our investigator said she didn't think Mrs H should get back the cost of the "motor mover" as this wasn't provided with the caravan. But she said she now thought the deposit was £11,000.

Mrs H later got in touch and said she'd had to pay £400 to get the caravan serviced. Our investigator explained she didn't think Black Horse should have to give this back.

Black Horse didn't respond to the investigator's view. So, the complaint was passed to me to decide.

I sent Mrs H and Black Horse a provisional decision on 28 October 2024. My findings from this decision were as follows:

*Mrs H complains about a caravan supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mrs H's complaint about Black Horse.*

*Firstly, I'd like to point out that there are a lot of different issues raised by Mrs H about the caravan in this complaint. There is also a lot of information and evidence about these issues, including job cards, repair details, emails, reports and photos. I'd like to explain to both parties that I will not comment on every individual point raised nor every piece of evidence.*

*Where I haven't mentioned something, I'd like to reassure Mrs H and Black Horse that this doesn't mean I haven't considered it, nor that I think it's unimportant.*

*I've reviewed all of the information I have in relation to this complaint. But rather than commenting on everything, I'll instead focus on what I think are the key facts and what I*

*consider to be the crux of Mrs H's complaint. This reflects the informal nature of our service.*

*When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Black Horse here – needed to make sure the goods were of 'satisfactory quality'.*

*Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors.*

*I'm satisfied a court would consider relevant factors, amongst others, to include the caravan's age, price, any previous use, and description.*

*Here, I'll consider that the caravan was brand new. So, I think a reasonable person would expect it to be in excellent condition and to be able to use it trouble free for some time.*

*What I need to consider here is whether the caravan was of satisfactory quality or not.*

*I'll firstly consider if the caravan had any faults present or developing when it was supplied to Mrs H. I don't think this is in dispute in this case. But I think it's still worth noting that having reviewed the job cards, inspection report and all the other evidence, I agree there were multiple faults with the caravan when Mrs H got it. These included cosmetic issues, connection problems, broken items, missing items such as screws and a problem with the bed.*

*I've then gone on to consider whether these faults mean the caravan was not of satisfactory quality when supplied. I've noted Black Horse's argument that a reasonable person would expect the caravan to have 'snagging issues' and that these do not mean the caravan was of unsatisfactory quality. But, in this case, I don't agree. I say this for a couple of reasons.*

*Firstly, even if I accepted the majority of the faults were 'snagging issues' as described, I don't think a reasonable person would expect so many of them on a brand new caravan costing nearly £30,000.*

*Secondly, I don't think it's reasonable to describe all of the faults as 'snagging' or minor issues. In particular, I'm satisfied this does not apply to the issue with the bed. Mrs H has explained the bed cannot be put out. And this seems backed up by various evidence, including what the report from September 2023 states:*

*"The bed Slats only pull out so far then get stuck. Then they will also not retract. I managed to eventually get it to retract but then it failed to reopen again every time I retried"*

*I strongly disagree that a non-fully functioning bed in a caravan can be described as a 'snagging' or minor issue.*

*It follows all of this that I'm satisfied the caravan was not of satisfactory quality when it was supplied.*

*I now need to think about what is fair and reasonable to put things right.*

*Mrs H wants to reject the caravan and I'm satisfied she made the dealer and Black Horse aware of this. The CRA explains Mrs H would have the final right to reject if the caravan was of unsatisfactory quality, which I have already found was the case above, and if:*

*"after one repair or one replacement, the goods do not conform to the contract"*

*Here, conform to the contract can be taken as the caravan being put back to being of satisfactory quality.*

*Having reviewed the evidence, I'm satisfied the caravan was attempted to be repaired on more than one occasion but not put right.*

*I say this as I've seen two job cards from June 2023 that detail various repairs. But, the inspection Black Horse has carried out in September 2023 still details outstanding issues.*

*I've also seen a job card from the beginning of October 2023 that details further repairs but lists several as "TEMP REPAIRS". And I've also considered Mrs H's recent testimony that the caravan still has problems.*

*Thinking about all of this, I'm satisfied Mrs H has the final right to reject the caravan under the CRA and that it's fair and reasonable she is allowed to do so.*

*Our investigator said she thought it was fair for Mrs H to be reimbursed 30% of the repayments under the agreement to reflect the impaired usage of the caravan. I agree Mrs H has only had impaired usage, and due to the extent of the faults, I agree 30% is reasonable here. But, Mrs H has consistently told our service that she has not used the caravan since August 2023. I've seen no evidence to dispute this. So, I don't think it's reasonable that Black Horse retain any repayments past this point.*

*It's worth noting a little about the deposit paid here. The deposit is listed on the credit agreement as £10,500. But our investigator said she believed this was actually a total of £11,000. Having considered everything, I don't agree on balance it's likely this was the case.*

*Mrs H has provided a receipt showing a card deposit of £500 being paid. I've seen a "CUSTOMER COPY" of a handwritten invoice that shows under "Balance payable by Debit Card" "500". But, at the bottom of this, it shows that the deposit is refundable on collection. The invoice shows under "PART EXCHANGE" "Allowance" "10,500".*

*So, I think on balance the amount shown on the agreement is correct. However, if either party can provide evidence this wasn't the case, I will of course reconsider this as part of my final decision.*

*Mrs H said she paid £495 for a "motor mover" for the caravan. My, admittedly limited, understanding is that this can likely be removed and used on another caravan. So, I don't think it's reasonable for Black Horse to reimburse Mrs H for this.*

*Mrs H has also said she had to recently have the caravan serviced to keep the warranty valid, at a cost of around £400. I think Mrs H acted reasonably by having this work carried out, however she is not going to get any benefit of this when the caravan is rejected.*

*Black Horse will receive a caravan that is serviced and, presumably, still has its warranty intact. So, I find Black Horse should reimburse Mrs H this cost – on production of evidence such as a valid invoice or receipt. I should also note this should only be reimbursed if dated after August 2023 when Mrs H said she stopped using the caravan.*

*Lastly, I agree with our investigator that Mrs H has suffered distress and inconvenience because of what's happened. I think it must have been frustrating to realise the caravan had various faults and Mrs H has described her upset when these were not corrected over multiple occasions. Mrs H also explained the dealer is around 90 miles from her, so it took significant effort to try to get this resolved. Our investigator recommended £200 to put this right. But thinking about this, I think a higher amount of £350 should be paid.*

*I gave both parties two weeks to come back with any further comments or evidence.*

*Black Horse responded and raised various objections to the decision.*

*Mrs H responded and said the £500 she paid directly to the deposit was never refunded to*

her. And she provided an invoice for servicing the caravan for £310 from 12 July 2024.

### **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.

I've carefully considered all of the points and evidence provided in response to my provisional decision.

Black Horse raised various points to consider. These mainly reiterated Black Horse's view that 'snagging issues' should be expected on a 'hand built' caravan and wouldn't make the caravan of unsatisfactory quality. It also objected to my finding that I didn't think it reasonable some faults were described as 'snagging' issues.

I want to reassure Black Horse that I've carefully considered everything it said here. But I'm happy these points were addressed in my provisional decision. And having thought about everything again, what it said hasn't changed my opinion and I'm satisfied what I set out about this was fair and reasonable under the circumstances.

Black Horse pointed out that the bed could still be used, and didn't affect the berth of the caravan. I've thought about this, but my findings about this issue were based on the fact the bed was "*non-fully functioning*". I'm still satisfied this was the case. So this doesn't change my opinion.

Black Horse said it thought that as the consumer knew some repairs were temporary, these couldn't be classed as "*failed repairs*". I didn't use this wording in my decision, however I disagree in general terms with what I think Black Horse are saying here. The CRA states:

*“repair” in relation to goods that do not conform to a contract, means making them conform*”

This would mean returning the caravan to being of satisfactory quality. I'm satisfied a temporary repair would not do this. And, the CRA also says about repair, in relation to the final right to reject:

*“There has been a repair or replacement for the purposes of subsection (5)(a) if—*

*(a) the consumer has requested or agreed to repair or replacement of the goods (whether in relation to one fault or more than one), and*

*(b) the trader has delivered goods to the consumer, or made goods available to the consumer, in response to the request or agreement.”*

I'm satisfied this happened in this case. So, what Black Horse said here doesn't change my opinion about Mrs H's right to reject the caravan.

Black Horse said it didn't think it was reasonable to reimburse all repayments from August 2023, as a caravan is not intended to be used all the time. But I disagree this would be fair. I say this for a couple of reasons:

Firstly, even if Mrs H was not intending to use the caravan at times, had it been of satisfactory quality she *could've* chosen to use it.

Secondly, under the contract Mrs H didn't only have to pay Black Horse for the times she intended to use the caravan. So it wouldn't be fair for Black Horse to then reimburse

Mrs H on this basis when the caravan is rejected.

Black Horse also said it hadn't been provided with evidence the caravan hadn't been used since August 2023. But it didn't provide any evidence to suggest it had. So, this doesn't change my opinion.

I've then gone on to consider what Mrs H said in response to my provisional decision.

Given Mrs H provided an invoice for the service carried, I find it reasonable this is reimbursed in line with what I set out in my provisional decision.

Mrs H also said she was never reimbursed the £500 cash deposit from the dealer and had checked her bank statements to confirm this. And she resent the receipt showing this was paid to the dealer.

So, this means I have some contradictory information here. Thinking about this again, I have seen evidence this was paid, but not evidence to confirm it was in fact returned to Mrs H. So, Black Horse should reimburse Mrs H the full amount of £11,000, unless it can show her this wasn't the net amount paid.

Having thought about all of the other information and evidence on the case again, along with everything Black Horse and Mrs H said in response to my provisional decision, I still think the complaint should be upheld.

### **My final decision**

My final decision is that I uphold this complaint. I instruct Black Horse Limited to put things right by doing the following:

- End the agreement with nothing further to pay
- Collect the caravan at no cost to Mrs H at a time and date suitable for her
- Reimburse Mrs H's deposit\* \*\*
- Reimburse 30% of repayments to the agreement from the inception of the contract to 1 August 2023\*\*
- Reimburse all repayments to the agreement from 1 August 2023\*\*
- Reimburse Mrs H £310 from 12 July 2024 for servicing the caravan\*\*
- Pay Mrs H £350 to reflect the distress and inconvenience caused
- Remove any adverse information from Mrs H's credit file in relation to this agreement

\*If Black Horse believe this is less than £11,000 then it should provide evidence to Mrs H to show this.

\*\*Black Horse should pay 8% simple interest on these amounts from the time of payment to the time of reimbursement. If Black Horse considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs H how much it's taken off. It should also give Mrs H a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or

reject my decision before 11 December 2024.

John Bower  
**Ombudsman**