

The complaint

Mr M complains about the quality of a car he has financed through an agreement with Black Horse Limited trading as Jaguar Financial Services ('Black Horse').

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

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 read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr M acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look at complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr M entered. Because Black Horse supplied the car under a financial 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 the age and mileage of the car and the price paid.

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

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 covered approximately 45,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car; I think it's likely there would be some wear and tear present. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

So, if I thought the car was faulty when Mr 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 things right.

Having carefully considered matters I'm satisfied that both parties are in agreement that the car supplied to Mr M wasn't of satisfactory quality. So, all I need to decide here is whether what Black Horse has agreed to do to put things right for Mr M is fair and reasonable in all the circumstances of his complaint.

Having considered the available evidence, I'm in agreement with our Investigator that Black Horse needs to do a bit more to put things right for Mr M. I'll now proceed to explain why I think that this is the case.

It is my understanding that Black Horse has already ended Mr M's agreement and collected the vehicle from him. The information provided suggests that along with the supplying dealership it has also paid:

- Refund road tax from March – June 2024.
- £80 as a goodwill gesture for the removal of cherished number from vehicle.
- £206.31 for the distress and inconvenience caused.
- A reimbursement of the deposit paid.

And it agreed to settle the finance agreement. Black Horse said this represents a fair and reasonable resolution to Mr M's complaint. However, Mr M doesn't think this goes far enough. He says he wants all adverse entries related to the agreement to be removed from his credit file. He is also seeking a reimbursement for repairs he says were undertaken in April 2024 and a refund of insurance premiums.

Firstly, I want to make clear that I won't be recommending Black Horse reimburse Mr M insurance premiums. Insurance is a general expense that Mr M would've had to pay for any car he acquired. It is both a legal and contractual requirement so I wouldn't expect Black Horse to refund these costs.

I understand Mr M would like a refund for repairs that were undertaken but I'm afraid I won't be asking Black Horse to do this. I say this because Black Horse issued its final response letter on 16 April 2024, I believe the outcome of the complaint and proposed settlement was also communicated over the phone. As a way to put things right Black Horse had agreed to support rejection of the car and to end Mr M's finance agreement so at this point Mr M would've been aware he had the option to return the vehicle.

Mr M has given us an invoice for repairs which was dated 22 April 2024, after the final response letter was issued. I can't be certain why Mr M would've gone ahead with repairs at this stage, but I can't hold Black Horse liable for the repair costs. It was made clear to Mr M that he was able to return the vehicle, an outcome that Mr M has said he accepted, I see no reason as to why he would've proceeded with repairs but in any event, I won't be asking Black Horse to refund the cost.

I understand Mr M also wanted compensation for the distress and inconvenience suffered and I think it would have been frustrating for Mr M to have to deal with the issues with the car, as well as the delays Black Horse caused when collecting the car. Our Investigator recommended £150 to put this right and I think that is fair and reasonable under the circumstances of this complaint.

My final decision

My final decision is that I uphold this complaint and direct Black Horse Limited trading as Jaguar Financial Services to put things right by doing the following:

- Pay £80 for removal of cherished number plate.
- Pay Mr M £150 to reflect the distress and inconvenience caused.
- Remove any adverse information from Mr M's credit file in relation to this agreement.
- Pay 8% simple interest on the refunded amounts as outlined in my findings from the

time of payment to the time of reimbursement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 July 2025.

Rajvinder Pnaiser
Ombudsman