

The complaint

Mr M complains about the quality of a car he acquired under a hire purchase agreement with Black Horse Limited (Black Horse).

When I refer to what Mr M has said and what Black Horse have said, it should also be taken to include things said on their behalf.

What happened

In July 2023, Mr M entered into a hire purchase agreement with Black Horse to acquire a car first registered in September 2015. At the time of acquisition, the car had travelled around 79,170 miles. The cash price of the car was around £10,298. There was a deposit of approximately £99. The total amount payable was approximately £14,608. The duration of the agreement was 60 months with monthly payments of around £242.

Mr M said that on 2 August 2023 (about a month later after acquiring the car), the engine management and service warning lights appeared on the dashboard, so they took it back to the supplying dealership who booked to examine the car scheduled for the beginning of September 2023. At that time, an oil and filter were changed and, as there was a fault code due to the Diesel Particulate Filter (DPF), they booked the car in for October 2023 to look at. But as the supplying dealership did not fix the problems on those two occasions, this resulted in the car breaking down completely in February 2024. Mr M said the DPF has completely clogged up and would not let the engine start. In summary, he is unhappy as he said the car was having issues from the beginning when the supplying dealership had to drain some of the excess oil before they were able to collect the car. According to Mr M, they had to wait four or five hours on the day to collect the car, but the dealership now refuses to provide any evidence of this. Overall, Mr M would like his money back, or for Black Horse to give money towards the costs of the fix.

In June 2024 Black Horse wrote to Mr M and said they are not upholding his complaint because they said there is no evidence to suggest the DPF was faulty at the point of acquisition. They said that since the car's acquisition, it has covered a total of 87,095 miles. And the dealership were unable to provide evidence of any oil removal prior to collection of the car.

Black Horse said that when the car was taken to the supplying dealership in September 2023, the dealership confirmed that no warning lights appeared on the dashboard and the car had travelled around 82,445 miles at that time. However a diagnostic was carried out and found a fault relating to DPF pressure, so Mr M was advised to book the car back in for further testing. When the car was taken back in October 2023, at 83,884 miles, the dealership concluded a DPF pressure fault as excessive soot was found in the DPF which required a regeneration.

In this correspondence, Black Horse also said that Mr M advised them that in January 2024 the DPF light came on again and the car was inspected by a mobile mechanic who recommended the car be serviced and removed nine litres of oil from the car. However, Black Horse said this was impossible as the car's oil capacity is only 5.1 litres. And while the

invoice confirms a charge for a diagnostic, there is no description which concludes a DPF fault.

Regarding the car breaking down in February 2024, when a mechanic carried out a diagnostic in March 2024, Black Horse said it was concluded that there was a fault with the DPF's regeneration duration and soot accumulation. So, the car was taken to the manufacturer's dealership for a further inspection. This dealership confirmed there is soot accumulation, and the car required a clean, or a new DPF. They also confirmed there are no other faults with the car. Black Horse said the supplying dealership offered a contribution of £250 as a gesture of goodwill towards a replacement DPF, but there is no evidence to suggest that the DPF was in a failed or failing state at the point of sale. Black Horse said the soot accumulation occurs when the car is unable to carry out a regeneration, so if the DPF had been faulty from the point of sale, the regenerations that have been carried out would not have been successful. They said the timeline given confirms the car has been able to cover reasonable mileage before the soot accumulation re-occurred, therefore they said they will not be upholding Mr M's complaint.

Mr M remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr M's complaint, but the investigator did not think that the car was of unsatisfactory quality when supplied. The investigator was of the opinion that the problems with the car were due to a reasonable level of wear and tear, so the investigator did not think it would be fair to ask Black Horse to do anything more to resolve Mr M's complaint.

Mr M disagreed with the investigator. So, 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr M acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. Black Horse is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I can only consider the actions/inactions of Black Horse and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the dealership which Mr M said he is unhappy about. So, in this decision I only focused on the aspects I can look into. And, I am only looking at the events that have been raised by Mr M with Black Horse,

the ones they had an opportunity to address in their correspondence sent to him in June 2024.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr M's case the car was used, with a cash price of around £10,298. It had covered around 79,170 miles and was around 8 years old when he acquired it. So, the car had travelled a reasonable distance, and it is reasonable to expect there to be some wear to it because of this use. I would have different expectations of it compared to a brand-new car. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. So, Black Horse would not be responsible for anything that was due to normal wear and tear whilst in Mr M's possession.

First, I considered if there were faults with the car. About four weeks after the car acquisition Mr M said the engine management and service warning lights appeared on the dashboard. So, I can see the car was booked to be inspected by the supplying dealership. This was booked for September 2023, as Mr M said this was the earliest date available. At the time of inspection, the car had travelled 82,445 miles (about 3,275 miles since the acquisition). During that visit, the supplying dealership carried out an oil and filter service, replaced the battery, and corrected tyre pressure. They also ran a diagnostic scan which found faults relating to the DPF pressure. Since the Stop/Start was not working, the car needed to be booked back to complete further investigation and repairs. Based on this evidence, it is clear that the car was faulty. But just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. So, I have considered if the car was of unsatisfactory quality when it was supplied to Mr M.

I can see the car was seen again by the supplying dealership in October 2023. At the time, the car had travelled 83,884 miles (about 4,714 miles since acquisition). During this visit, they found excessive soot content in the DPF, so they carried out its regeneration. After this procedure, the car was road-tested and rechecked for faults. The job sheet indicates that after the regeneration, there were no faults present, and it seems the regeneration of the DPF also fixed the Stop/Start issue as it was reported to be working afterwards.

However, Mr M said the supplying dealership did not fix the problems. I can see that about three months later in January 2024 the car had another DPF regeneration completed, and Mr M said the car broke down completely in February 2024. Mr M said this was because the DPF had completely clogged up and would not let the engine start. To support this Mr M provided information from one of the car's manufacture garages which indicated there was blockage in the DPF system. At this time the car had travelled a total distance of around 87,095 miles (about 7,925 since acquisition). Unfortunately, Mr M said that DPF cleaning did not resolve the issue and he was advised by that repair shop that he would need to replace the DPF, inlet manifold, and the charge cooler as these could not be cleaned. Plus, Mr M was advised he would need to replace four injectors as well.

In summary, Mr M feels that he should not be responsible for the repairs to the car because it was having issues from the beginning when the supplying dealership had to drain some of the excess oil before they were able to collect the car and within about one month after acquiring the car, warning lights appeared on the dashboard. Mr M feels that in September and October 2023 the supplying dealership did not fix the problems, which in turn resulted in the car breaking down completely in February 2024. Mr M also provided an email from the car manufacturer's garage which said that, although it was difficult to say, there must have been underlying problems before Mr M acquired the car. The email said that they cannot see how all these issues could manifest in a fairly short period of time since Mr M acquired the car.

I've taken this into consideration, but I think most likely the car was not of unsatisfactory quality at the time of supply. I say this because at the time the car needed the replacement of the all the components: DPF, inlet manifold, and charge cooler, plus four injectors, it was over eight years old and had had travelled a significant number of miles, about 87,095 miles, approximately 7,925 since acquisition. And just because the DPF required regeneration in October 2023 and January 2024 does not mean that it had failed at that point in time. So, when considering the age and mileage of the car, combined with when the above issues were noted, I think it is most likely the faults that Mr M experienced are because of normal wear and tear, and parts coming to the end of their life cycle.

I know Mr M feels the car was having issues from the beginning because the supplying dealership had to drain some of the excess oil before they were able to collect the car, but the supplying dealership has said they never drained any excess oil at the time of acquisition and the checklist from around that time has no indication of this either. So, thinking about what both sides have said, combined with all the circumstances of this case, I've not seen enough evidence to be able to say that Black Horse most likely should be responsible for the repairs now needed to the car.

Mr M has told us a lot about his personal circumstances and while I sympathise with him for all the difficulties that he is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that most likely Black Horse should be responsible for the faults with the car. As such, I do not think it would be fair and reasonable to ask Black Horse to take any further action regarding this complaint.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 May 2025.

Mike Kozbial
Ombudsman