

The complaint

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

What happened

On 6 March 2024, Ms N was supplied with a used car through a hire purchase agreement with Black Horse. The agreement was for £15,200 over 60 months; with monthly payments of £395.51. At the time of supply, the car was three years old and had done 38,947 miles (according to the agreement). Ms N exercised her right of withdrawal from the agreement and cleared the outstanding balance on 25 March 2024

Ms N says she noticed damage to the car's bodywork – a crack in the front bumper and a misaligned panel - in June 2024. She asked the supplying dealership to repair this, but they didn't agree to do so. So, she complained to Black Horse, also raising that two tyres needed replacement and that the exhaust heat shield was loose.

Black Horse arranged for the car to be inspected by an independent engineer, and this took place on 15 August 2024. The engineer confirmed there was damage to the front bumper, consistent with a light impact, but considered this to be recent as there were no traces of dirt within either the crack or the surrounding paint damage. With regards to the misaligned panel, and associated damage to the rear bumper, the engineer said this happened "*some time ago*" as there was dirt within the paint cracks.

Black Horse didn't uphold Ms N's complaint, and they said Ms N had inspected the car before it was supplied to her and signed to accept it in its current condition. Ms N wasn't happy with Black Horse's response, and she brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator considered the evidence and said the damage to the front bumper took place after the car was supplied to Ms N, so Black Horse weren't liable for this. The investigator also said that there was no evidence of issues with the tyres, wheel alignment, or the exhaust heat shield when the car was supplied to Ms N.

With regards to the misaligned panel and damage to the rear bumper, the investigator thought that Ms N ought to have been reasonably aware of this when she took possession of the car. As such, the investigator didn't think Black Horse were responsible for this damage.

Ms N didn't agree with the investigator's opinion, and she asked for the matter to 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. Ms N 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.

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 Ms N took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Black Horse to put this right.

Based on what I've seen, I'm satisfied there are issues with the car supplied to Ms N. However, this doesn't mean the car was automatically of an unsatisfactory quality when it was supplied, meaning that Black Horse are liable for any repairs.

I've seen a copy of the independent engineer's report, dated 15 August 2024. The key findings of this report are detailed above, so I won't repeat them here. However, I have noted that the engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

Looking first at the bodywork damage, the engineer confirmed that the damage to the front bumper was too new to have been present when the car was supplied to Ms N. While Ms N has provided an estimate for repair, this doesn't state that the damage was present when the car was supplied to her, nor has she provided any evidence, for example another report from an independent garage, that confirms this damage was present when the car was supplied. As such, I'm satisfied that it wasn't, and I won't be holding Black Horse responsible for this.

With regards to the damage to the rear bumper and the misaligned panel, the independent engineer has indicated that this was most likely present when the car was supplied to Ms N. I've seen the photos of the panel misalignment, taken in June 2024, that Ms N has supplied, and I'm satisfied this misalignment can be clearly shown.

The CRA is clear that, when goods are supplied with clear damage, and the consumer accepts those goods, then the damage is accepted, and it doesn't make the goods of an unsatisfactory quality. As I've said above, the photographs provided by Ms N show that the misalignment of the panels is clearly visible. What's more, when she signed the dealership's invoice on 3 March 2024, Ms N confirmed that *"I understand that it is a term of contract that I should examine the vehicle before signing."* As such, I'm satisfied that, in taking possession of the car, Ms N was accepting the misaligned panel (and by extension the associated damage to the rear bumper), and the presence of this damage doesn't make the car of an unsatisfactory quality when it was supplied.

Turning now to the tyres, I've noted that the car passed an MOT test on 13 December 2023, having done 38,947 miles – the exact same mileage as when it was supplied to Ms N. As checking the condition and wear on the tyres is a key part of an MOT test, I'm satisfied the tyres (a) would've been checked during this MOT test, and (b) due to the mileage, would've been in the same condition at the point of supply to Ms N as they were at the MOT test.

The car passed the MOT test in December 2023, with no advisories. As such, I'm satisfied the tyres were of a satisfactory quality when the car was supplied to Ms N. As tyres are a serviceable part that need replacing multiple times during the lifespan of a car, I won't be holding Black Horse responsible for any replacement cost.

I also won't be holding Black Horse responsible for any misalignment of the wheels, or for the exhaust heat shield being loose, as I've seen nothing to show me these issues were present with the car when it was supplied. As such, and while I appreciate this will come as a disappointment to Ms N, I'm not upholding her complaint, and I won't be directing Black Horse to take any further action.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 25 August 2025.

Andrew Burford
Ombudsman