

The complaint

Mr B complains that Black Horse Limited (“Black Horse”) won’t give him the benefit of an APR of 2.9% on a finance agreement he entered into with it.

What happened

On 28 September 2023 Mr B entered into an order agreement from a manufacturer that I will call “T” for a car costing £49,990.

On the same day Mr B applied to Black Horse for finance to assist him with his purchase. This application was approved by Black Horse on the same day at an APR of 4.9%. The APR of 4.9% was the rate Black Horse was offering customers purchasing cars on finance with it on 28 September 2023 from T.

On 6 October 2023 Mr B took delivery of the car. On the same day, but prior to Mr B taking delivery of the car, Black Horse started offering customers purchasing cars on finance with it from T at an APR of 2.9%.

On 19 October 2023 Mr B signed the agreement at an APR of 4.9% and funds of £39,990 (£49,990 purchase price less £10,000 deposit paid by Mr B) were released by Black Horse to T.

Shortly after 19 October 2023 Mr B complained to both Black Horse and T about not being offered and granted, after 5 October 2023 and on or before 19 October 2023, finance at an APR of 2.9%.

On 27 October 2023 Black Horse issued Mr B with a final response letter (“FRL”). Under cover of this FRL Black Horse said it was satisfied that it had done nothing wrong in not offering and granting Mr B finance at an APR of 2.9%.

In November 2023, and unhappy with Black Horse’s FRL, Mr B referred his complaint to our service.

Later the same month Mr B asked us to consider, in conjunction with his original submitted complaint, a complaint that T’s advice to enter the agreement that he did on the terms that he did was *“impartial because of the commission arrangements between [it] and [Black Horse].”*

In January 2024 the investigator assigned Mr B’s complaint advised Mr B that any complaint he might have about the commission arrangements between T and Black Horse would need to be raised by him as a new and separate complaint.

Later on the same day Mr B advised our service that he had already raised a new and separate complaint about the commission arrangements between T and Black Horse with Black Horse but had yet to hear anything further.

Mr B's complaint about not being given the benefit of an APR of 2.9% on his agreement was considered by one of our investigators who came to the view, in February 2024, that Black Horse had done nothing wrong.

Mr B didn't agree with our investigator's view so his complaint about not being given the benefit of an APR of 2.9% on his agreement by Black Horse was passed to me for review and decision.

In November 2024 Black Horse contacted Mr B to apologise for having not yet issued him with a FRL in respect of his complaint about the commission arrangements between it and T and to advise him that he was free to refer that complaint to our service if he wanted to.

In February 2025 the investigator contacted Black Horse on my behalf for some further information.

In response Black Horse confirmed to our investigator that to settle matters it was prepared to amend the APR on Mr B's agreement going forward to 2.9% and to refund to Mr B the difference between the payments he had already made under the agreement at 4.9% versus the payments he would have been required to pay under the agreement at 2.9%.

The investigator, on my behalf, then shared Black Horse's offer to settle Mr B's complaint with him.

Mr B responded to say that he was now looking for compensation for the distress and inconvenience this whole matter had caused him together with compensation for Black Horse's handling of his complaint about the commission arrangements between it and T. Mr B said he was willing to accept twice the difference between the payments he had already made under the agreement at 4.9% versus the payments he would have been required to pay under the agreement at 2.9% in this respect.

The investigator then contacted Black Horse on my behalf for a second time to see if it was prepared to offer Mr B anything for the distress and inconvenience this whole matter might have caused him and whether it was prepared to offer interest on its agreed refund of the difference between the payments Mr B had already made under the agreement at 4.9% versus the payments he would have been required to pay under the agreement at 2.9%.

In response Black Horse confirmed to our investigator that it was prepared to pay Mr B £200 for any distress and inconvenience this whole matter might have caused him and 8% simple interest on its agreed refund of the difference between the payments Mr B had already made under the agreement at 4.9% versus the payments he would have been required to pay under the agreement at 2.9%.

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 would like to make clear that I've read the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point or particular piece of evidence, 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. Our rules allow me to do this, reflecting the fact that we are an informal free service set up as an alternative to the courts.

I would also like to make clear that I'm only considering in this decision Mr B's complaint that Black Horse won't give him the benefit of an APR of 2.9% on the finance agreement he entered into with it, not any other complaint he might have, including any complaint he might have about the commission arrangements between T and Black Horse.

Mr B has expressed a desire to discuss his complaint with me by telephone. However, and I mean no discourtesy, I'm satisfied that I can fairly and reasonably decide this case based on the submitted evidence and a discussion with Mr B by telephone isn't necessary.

I would also like to make clear that in the light of what Black Horse has now agreed to do to settle this complaint I need make no finding on whether it did anything wrong in not giving Mr B the benefit of an APR 2.9% on the finance agreement he entered into with it. Instead, what I'm required to do is make a finding on whether what Black Horse has now agreed to do is, in all the circumstances, fair and reasonable.

And having considered everything the parties have said and submitted I'm satisfied that it is.

possible financial loss suffered by Mr B

Black Horse's offer to amend the APR on Mr B's agreement going forward to 2.9% and to refund Mr B the difference between the payments he has already made under the agreement at 4.9% versus the payments he would have been required to pay under the agreement at 2.9% puts Mr B in the position he would have been in had he been given the benefit of an APR of 2.9% from the outset, this being what Mr B says Black Horse should have done

Black Horse's offer to pay Mr B 8% simple interest on the refund of the difference between the payments he has had already made under the agreement at 4.9% versus the payments he would have been required to pay under the agreement at 2.9% ensures he hasn't lost out on any interest these payments at 4.9% (rather than 2.9%) might have earned him had they been left on bank deposit say

possible non-financial loss suffered by Mr B

I appreciate Mr B first complained to Black Horse in October 2023 about it not offering and granting him an agreement APR of 2.9%. But equally I can see that Black Horse issued Mr B with a FRL on this complaint within two weeks, well within the eight weeks it had to do so.

So I'm not persuaded that Mr B's interactions with Black Horse, to the extent that they relate to this complaint, had an impact on him beyond the usual frustrations of having to engage in a complaints process that would warrant me awarding him more than the £200 Black Horse has said it's now prepared to pay. I would also add that the fact that Black Horse has now agreed to compensate Mr B, having declined to do so under cover of its FRL, doesn't alter my view on this point.

So with all the above in mind and given that Black Horse's offer to settle this complaint is over and above what Mr B was originally seeking by way of compensation and is as much as, if not more than, I might have been minded to award him I see no reason to direct Black Horse to do anything more than it has now agreed to do.

I appreciate Mr B might be disappointed by my decision but I hope he feels his concerns have been listened to.

My final decision

My final decision is that Black Horse Limited must:

- amend the APR on Mr B's agreement to 2.9%
- ensure all further agreement payments it requires Mr B to make are based/calculated on an amended APR of 2.9%
- refund to Mr B the difference between the payments he has already made under the agreement at 4.9% versus the payments he would have been required to pay under the agreement at 2.9%
- pay Mr B 8% simple interest on the above refunds from the date each agreement payment at 4.9% APR was made by him to the date of settlement*
- pay Mr B £200 for the distress and inconvenience this whole matter might have caused him.

**HMRC requires Black Horse Limited to take off tax from this interest. If Mr B asks for a certificate showing how much tax has been taken off this should be provided.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 March 2025.

Peter Cook
Ombudsman