

## **The complaint**

Mr A complains about the quality of the car supplied to him by Black Horse Limited ("Black Horse"), and the redress paid when the agreement was unwound.

## **What happened**

Mr A acquired a used car through a hire purchase agreement in September 2024 with Black Horse. The car quickly began to exhibit problems, and it was discovered that amongst a series of issues, the car had also been re-mapped.

Around two weeks after supply, the supplying dealership took the car back to repair it, but as soon as it was returned to Mr A, it still had problems, and he complained to Black Horse. By 18 October 2024, the dealership had agreed that Mr A could reject the car, and in their final response letter (FRL) dated 24 October 2024, Black Horse confirmed that this was the case, that Mr A would have his deposit returned, his first monthly payment for October returned, 8% interest on both payments, and £150 for his distress and inconvenience.

They also asked him to confirm if any further costs had occurred due to the problems, and Mr A confirmed he'd paid for a diagnostic report which they agreed to refund. Unfortunately, in November 2024, the monthly payment was collected from Mr A again, and subsequently Black Horse confirmed this was in error and returned the money to Mr A.

Mr A wasn't happy and wanted refunds for insurance and car tax, which Black Horse didn't agree with, and so they reminded him of his rights to bring the complaint to our service if he wasn't happy with the outcome.

He did this in November 2024, and the complaint was investigated. The investigator gave their opinion in January 2025 that the offer from Black Horse was fair, and they didn't need to do any more.

Mr A disagreed, and said he was out of pocket for insurance costs and car tax, and this wasn't fair, as he had to insure the car until it was collected which took almost a month from Mr A having the second issues with the car. The case has come to me for a final decision, therefore.

## **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. Mr A 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, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

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. But, where a fault is identified after the first six months, the CRA implies that it's for Mr A to show it was present when the car was supplied.

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

I'm glad to see both parties agreed quickly that the car was not of satisfactory quality, and Mr A was able to reject the car. Mr A has said this took too long which cost him money on insurance and car tax, but I don't agree with this. Things were identified, agreed and completed in a reasonable timeframe, so I don't agree that there were any unnecessary delays.

With both parties accepting the car wasn't of satisfactory quality, which I agree with, it only remains for me to ensure the redress paid to Mr A is fair. He's made no monthly payments after both the payments made were refunded. Whilst unfortunate that a second payment was taken after it had been agreed to end the agreement, Black Horse put this right by refunding it in a timely fashion, so this provides me with no concerns.

Mr A has also been refunded his deposit with interest and provided with £150 for the distress and inconvenience of being supplied with a faulty car. Based on the testimony and evidence provided, I am satisfied these payments are fair.

The final issue Mr A has raised is tax and insurance which he expects to be refunded. However, I disagree with him here. Whilst the car was not working properly for most of the time he had it, this period of time was not excessive. He had signed the agreement in Mid-September 2024, and the rejection has been agreed before the end of October 2024. He has to tax and insure the car to remain within the terms of the finance agreement he signed, and Mr A must also ensure if the car was damaged or stolen in this period, the asset was protected by insurance, as he would still be liable for the cost of it until his agreement was ended.

I've already said that I'm satisfied the timescales involved here were fair and there were no avoidable delays in identifying the problems with the car and ending the agreement. I don't agree with his argument that these insurance costs or car tax costs are unfair. Black Horse also confirmed that if he had to pay a cancellation charge when ending his insurance policy, they were happy to consider refunding this, but I've seen no evidence he has provided any detail of this. The alternative was that if he acquired another car to replace this one, he could change the insured car and keep the insurance policy, which he may have done, in which

case there would be no cancellation charge anyway.

Either way, I am satisfied that he has been treated fairly here and is not due further compensation. While the registered keeper of the car, it's his responsibility to tax and insure it. He's said it's not fair because he was supplied with a faulty car, but I don't accept that this argument. If I believed that he had been deliberately supplied by Black Horse with a faulty car, perhaps this argument would stand, but I don't believe this is the case.

Unfortunately, the car he chose, and which was supplied to him by Black Horse turned out to be faulty. I am satisfied that this has been identified quickly, proven to not be repairable, and Black Horse have agreed he can reject it on this basis. They have made fair offers of redress to put things right, corrected mistakes quickly, and I won't be asking them to do anything more than they've already done or offered.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 September 2025.

Paul Cronin  
**Ombudsman**