

The complaint

Ms R complains that the car she acquired through Black Horse Limited trading as Land Rover Financial Services (“BHL”) wasn’t of satisfactory quality, and she wants to be compensated for the problems she’s had to endure.

What happened

Ms R entered into a PCP credit agreement in March 2020 to acquire a new car with a cash price of £42,971.24. The credit agreement was set up over a term of 24 months with monthly payments of £366.74. If the credit agreement ran to term, the total repayable would have been £46,348.79.

Ms R told us:

- She acquired the car in March 2020, but could only collect it in July 2020 because of restrictions associated with the pandemic;
- there were a number of faults with the car, and it had to be returned to the supplying dealership for repairs;
- in 2021 she returned to the supplying dealership because of issues with the driveshaft, and the engine running slow, but it couldn’t replicate or identify the problem at first, before belatedly carrying out repairs and replacing the driveshaft;
- when she complained about the fault with the car, she was told she couldn’t reject it because the fault hadn’t been reported within the first six months of acquisition;
- in 2022, she reported a fault with the steering. The supplying dealership initially could find no problem, but when it inspected the car again a few months later, it found a fault with the steering rack and had to replace this along with two other components;
- she noticed further problems with the car following the replacement of the driveshaft, and it was booked in for diagnostics in November 2023 when cranking noises arose when the car was being reversed;
- a new gearbox was needed, but the supplying dealership said it needed the manufacturer’s approval for this work because of the cost – around £6,000;
- the car was with the supplying dealership for some time, and whilst it was stored there, a tree fell on the car and caused a lot of damage – smashed glass roof; smashed windscreen; dented roof, damaged spoiler and damaged paintwork – which the supplying dealership said it would repair at no cost to her;
- there were further issues with the finance agreement when she asked to sell the car, and the balloon finance was financed by way of a new PCP agreement.

BHL rejected this complaint in May 2024. It said the issues Ms R had experienced with the car occurred more than three years after it had been supplied. It said that the car’s driveshaft is a component that can fail at any time, and the fact Ms R had been able to drive 34,000 miles before it faulted suggested it could not have been a fault that was present or developing at the point of supply.

BHL said that its *“liability as your finance provider is the satisfactory quality of the product at the point of sale. As the drive shaft was not faulty at this time, we would not be liable for it”*.

And it said that if, after further investigation, the gear box needs to be replaced, due to the time and mileage since inception, it would still not be liable.

BHL dealt with Ms R's complaint about the refinancing of the balloon payment as a separate complaint. And it said that it couldn't be held responsible for damage that occurred from the falling tree at the supplying dealership's premises – this was something that needed to be and was being addressed by the supplying dealership.

Our Investigator looked at this complaint and said she thought her complaint about the satisfactory quality of the car should be upheld. She explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this complaint.

She explained that although the problems with the steering rack were reported more than six months after the car had been supplied, it had only been driven around 6,000 miles. And when it was replaced, the car had still only been driven less than 15,000 miles. She said that the typical lifespan of a steering rack was around 80,000 miles, so she concluded it had failed prematurely.

Our Investigator made a similar finding in respect of the driveshaft. She said that a driveshaft has a lifespan of up to 100,000 miles – yet the car's driveshaft had failed around 35,000 miles. Again, she concluded that it had failed prematurely.

She concluded that the car supplied by BHL hadn't been of satisfactory quality because it had not been durable – key components had failed prematurely. And she made some recommendations about what BHL needed to do to put things right.

She took into account that the repairs had been completed successfully, and that Ms R had been kept mobile for some of the time with the use of a courtesy car. She asked BHL to refund some of the monthly payments Ms R had made, and she asked it to pay her £300 compensation for the distress and inconvenience it had caused when it supplied her with the faulty car.

BHL accepted our Investigators recommendations in full.

Ms R said that the recommended compensation was not enough bearing in mind what she'd gone through, and the whole time she'd kept up to date with her monthly payments.

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.

My decision here is only focussed on the satisfactory quality of the car. As our Investigator has already explained, Ms R's complaint about the second credit agreement and the financing of the balloon payment are now the basis of another case file and complaint at our Service.

I hope that Ms R won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Ms R should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

Having considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll explain why.

The credit agreement entered into by Ms R is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it. BHL is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the "quality of the goods is satisfactory".

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car's history.

The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Taking everything that Ms R told us into account, I've also concluded that based on the premature failure of two of the car's components – the driveshaft and the steering rack, the car supplied by BHL was not suitably durable. Put simply, a reasonable person would not expect to experience these problems in a car of this age. So, on balance, I don't think the car was durable and it therefore wasn't of satisfactory quality when supplied. BHL should note that the failure of either of these components would, in the circumstances of this complaint, have been sufficient for me to uphold it.

I'm led to understand that the issues with the car, to date, have been rectified and satisfactory and successful repairs have been carried out. But there still remains the issue of compensating Ms R for the period in which she was unable to use her car, and for the distress, worry, anxiety and inconvenience that she's experienced.

Ms R has described in some detail the distress and inconvenience she was caused by the faults with the car, and the repeated visits she made to the supplying dealership, and the impact this had on her day-to-day life. Because of this, I'm going to ask BHL to refund her some monthly rentals, and I'm going to ask it to pay her some compensation in recognition of the anxiety and worry it caused.

I know Ms R is understandably frustrated and has been inconvenienced by the damage to the car when it was at the supplying dealership's premises. That damage was significant as was the delay in repairs and the inconvenience Ms R experienced. But this isn't something I can hold BHL responsible for. These concerns are things that Ms R will need to take up with the supplying dealership directly.

Putting things right

I direct Black Horse Limited trading as Land Rover Financial Services to put things right by doing the following:

- refunding 10% of rentals paid by Ms R for the period March 2021 to May 2022 to cover any loss of use, or impaired use, of the car because of the inherent quality issues;
- paying 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement*;

- paying Ms R £300 for the distress or inconvenience that's been caused because the car supplied was not of satisfactory quality.

*HM Revenue & Customs requires Black Horse Limited trading as Land Rover Financial Services to take off tax from this interest. Black Horse Limited trading as Land Rover Financial Services must give Ms R a certificate showing how much tax has been taken off if she asks for one.

My final decision

My final decision is that I uphold this complaint and require Black Horse Limited trading as Land Rover Financial Services to settle this complaint as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 8 August 2025.

Andrew Macnamara
Ombudsman