

## **The complaint**

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

When I refer to what Mr S and/or BH said or did, it should also be taken to include things said or done on their behalf.

## **What happened**

In December 2023 Mr S entered into a hire purchase agreement with BH to acquire a used car. The car was first registered in May 2021. At the time of acquisition, the car had travelled approximately 30,424 miles. The cash price of the car was approximately £19,000 when Mr S acquired it. The total amount payable under the finance agreement was around £21,011. The agreement consisted of 36 monthly repayments each of around £299.

Mr S said that prior to finalizing the acquisition of the car, he enquired about specific features of the car, such as rear parking cameras and its condition, including scratches and defects. Mr S said the supplying dealership assured him that the car met his specifications and was devoid of any flaws. Additionally, Mr S said they confirmed in writing that the finance could be paid off within 14 days without incurring interest. Mr S said that upon arriving to collect the car, it became evident that it was not as described. The battery light was intermittently flashing, indicating potential electrical issues, and the interior had not been properly cleaned. Despite expressing concerns and requesting a test drive, Mr S said he was rushed through the process, being told that the dealership was closing for the day. In the days following the purchase, he discovered numerous undisclosed issues with the car, including: concealed cigarette burns within the leather seats, a screen defect in the dashboard display, rear light bulb fault, tyre pressure fault due to incorrect caps, excessive sagging of the rear seat belt, black paint mark, and fraying on the boot interior. So, he raised these concerns with the supplying dealership within a few days of supply.

Mr S also said that later an inspection revealed further mechanical faults, such as a leaking suspension arm bushing, and missing key seals. Mr S said that even though he was provided assurances by the dealership and BH, they failed to reimburse him fully for his transportation costs and did not provide him with the spare key and the car cigarette lighter. In addition, Mr S said that the action of both companies exacerbated his anxiety and impeded his ability to enjoy the car safely. In general, he is unhappy with the way they have dealt with him.

In summary, Mr S would like reimbursement for all incurred expenses related to repairs, transportation, and the acquisition of the essential components, plus compensation for the mental anguish and inconvenience caused.

On 19 April 2024, BH wrote to Mr S and said they are upholding his complaint in part and are accepting liability for:

- Right side boot liner strut shaking.
  - o They asked Mr S to provide a quotation for the cost of this repair.

- Front drive side seat belt excessively frayed.
  - o BH said they are accepting liability and will consider the cost of this being replaced. But they said they would not cover the cost of replacing the other seatbelts as no concerns were noted for these.
- Car cigarette lighter and missing key.
  - o They said Mr S provided them with a receipt for £303.01 for a replacement key, so they said if they receive confirmation the dealer has not refunded this then they will refund Mr S for this cost.

In that April 2024 correspondence BH said they would not be upholding the following aspects:

- Tyre cap not genuine.
  - o BH said because the car in question is used there may be non-genuine parts on it. And neither of the garages that looked at the car mentioned that this was a concern.
- Rear brake light relaced.
  - o BH said a bulb can be expected to fail at any time, this is a serviceable item.
- Black marks on right hand side of boot.
  - o They said these do not make the car of unsatisfactory quality.
- Heated seats slow to warm up.
  - o BH said they would need the main dealership to investigate to confirm if the heating up of the seats is within their tolerances. So BH said that if Mr S books the car in with a main dealer they will cover the costs of up to one hour of diagnostics.
- Parking camera.
  - o They said this was not noted on the advert and as there is no evidence of a mis-sale regarding this aspect. As such, they would not accept any liability regarding this.
- Digital dashboard going blank.
  - o BH said they have not received any evidence of this. So, they said, that when the car goes in for a diagnostics with the main dealer, Mr S can ask them to investigate this concern.

BH have also indicated that they will make a payment of £100 in recognition of the trouble and upset Mr S experienced.

Mr S was not happy, so in March 2024 he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

On 26 April 2024, BH wrote again to Mr S. This time they addressed his complaint point about the finance agreement being misrepresented, specifically the point about him being unhappy about the information he received regarding the 14-day cooling off period.

In this correspondence BH said that in an email to the dealership Mr S asked the following questions:

- “1 - does this finance agreement allow you to pay the full balance off in 14 days if you choose without charges or is there charges?
- 2- I may come across 2000-3000 pound in January if I do would this finance agreement company you use charge to overpay the balance?
- 3- Is there any chance as i've been working it out and am back at work 2nd Jan next week that the car would be ready today and the finance could be sorted today?”

The dealer responds by saying the following:

“I can confirm the finance has an option to pay off in 14 days as you are expecting. no charge at all to overpay.  
very good chance i could get ready today.  
Let me get the finance sorted right now and i'll call within the hour to confirm yay or nay”

So BH felt the response may have caused confusion, for which they apologised, but they said later in a call on 8 January 2024, one of their agents explained to Mr S that there were no charges for settling within the 14-day period, however, there would be daily interest in line with the terms and conditions of your agreement. In their response BH also highlighted the relevant term in the finance agreement. BH also said Mr S told them that he had a recorded message in relation to the dealer providing him with wrong information, so they asked Mr S to forward this to them so they may consider its contents.

Mr S remained unhappy, so our investigator considered Mr S's complaint.

In June 2024 the investigator issued their view. In summary, the investigator said BH needed to do something to put things right for Mr S. They were of the opinion that it would be fair and reasonable for BH to be responsible for refunding or paying Mr S:

- For the cost of the tyre caps (£15.99);
- £300 price reduction to Mr S for being incorrectly advised that the car would have a reverse camera;
- £303.01 and £20.89 for a blade key and a cigarette lighter;
- For repairs to the rear bumper, glove box, and boot;
- For up to one hour diagnostics to investigate the issues with the heated seat and display fault along with a repair to the seat belt;
- Taxi costs;
- £100 compensation for the distress and inconvenience caused;
- 8% simple interest on any amounts refunded from date of payment to date of settlement.

The investigator also said they are unable to comment on Mr S being unable to visit the main dealer and the issues with the car no longer having warranty.

In June 2024, BH responded to the investigator's view and said they would refund Mr S the cost of the taxi, the cost of the key and cigarette lighter. They also said they would provide Mr S with £705 to have the repair carried out to resolve the grease mark and cover the cost of the repair to the seatbelt. They also agreed to refund the cost of the tyre caps and pay Mr S £300 price reduction for the missing reverse camera.

Later BH told us that their records show that on 13 June 2024 they paid Mr S £530.81 made up of:

- £303.01 (30/01/2024) – key;
- £208.26 (19/01/2024) – diagnostics;
- £6.99 (02/01/2024) – taxi;
- £12.55 for 8% on the above refunds.

But BH said they are reluctant to do anything more for Mr S, because they said they have genuine concerns about the legitimacy of evidence provided by him.

Following this in February 2025, the investigator issued a follow up view on Mr S's complaint. The investigator said they did not find BH to be unreasonable in withholding

further payment, based on their concerns raised regarding the validity of some information that has been provided. The investigator was also of the opinion that the 14-day right to withdraw from the agreement could have been explained a bit better to Mr S, but the investigator did not think BH needed to take any further action regarding this aspect.

Mr S did not accept the investigator's findings, 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 S acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. BH 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.

I know Mr S said he is unhappy with the fact that certain dealerships, including the supplying dealership, will no longer deal with him and they have taken steps to void his warranty. He also mentioned that someone tried to register themselves as the keeper of the car. But in this decision, I am only considering the aspects BH are responsible for, so I cannot look at certain actions and/or inactions of the dealership(s) or other parties. And I am only looking at the events that have been raised by Mr S with BH, the ones they had an opportunity to address in their correspondence sent to him on 19 and 26 of April 2024.

#### 14 days right to withdraw from the agreement

Mr S said the supplying dealership had confirmed to him both in writing and on a call, that the finance could be paid off within 14 days without incurring interest.

The credit agreement Mr S entered into is regulated by the Consumer Credit Act 1974 (CCA) and this legislation states that Mr S could have withdrawn from the agreement, without giving any reason, provided he gave oral or written notice of the withdrawal to BH before the end of the period of 14 days of entering into the said agreement.

Overall, I think the explanation Mr S received from the supplying dealership could have been clearer regarding the 14-day right to withdraw from the agreement, but I have also considered the agreement itself, and what it says regarding this. I can see that the terms and conditions of Mr S's finance agreement confirm that he has a right of withdrawal within the first 14 days and, should he wish to exercise this right, he has to notify BH, either in writing or orally, within that withdrawal period. The terms and conditions also state that if he does withdraw, he must pay BH interest on it until it is paid in full. Also, the daily interest amount is

noted on the agreement. So, if Mr S felt that his understanding around interest was different, I think it would have been reasonable for him to question, the discrepancy between the finance agreement's statements and what he was told at the time of the agreement's inception. It would have been even more reasonable, if this aspect was so important to him. I also considered that some of this might be a moot point as I think, most likely, Mr S had not suffered a direct financial loss due to the way the 14 days had been explained to him.

I have come to the above conclusion because from the evidence available, I can see that Mr S did not give notice within 14 days and only paid off the finance agreement a few months later. Mr S said he was waiting on certain parts of his complaint to be resolved and as such did not withdraw from the finance agreement within 14 days. However, from one of the calls Mr S had with BH shortly after acquisition, I can hear that he was also waiting for certain confirmation around his employment. As such, I do think it would be fair or reasonable to ask BH to take any further action in relation to this aspect of Mr S's complaint.

### Quality of the Car

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr S 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 S's case the car was about three years old, with a total cash price of approximately £19,000. It had covered around 30,424 miles. I would have different expectations of it compared to a brand-new car. But given the age, mileage and price paid, I think it is fair to say that a reasonable person would have high expectations of it and would expect the quality of the car to be of a higher standard than a car which is more road worn or has a lower price. Also, I think a reasonable person would expect it to be free from defects for a considerable period of time.

Mr S thinks that he should be entitled to reject the car.

The CRA sets out that Mr S has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and he would need to ask for the rejection within that time. Mr S would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr S would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but he would not have the right to reject the car until he has exercised his right to a repair first – this is called his final right to reject. And this would be available to him if that repair had not been successful. So first, I need to consider if the car was not as described and if there were faults that render the car of unsatisfactory quality.

I know some of the issues raised by Mr S were:

- Right side boot liner strut shaking.
- Front drive side seat belt excessively frayed.
- Cigarette lighter and key missing.
- Tyre caps not genuine.

- Rear brake light needing to be replaced.
- Black marks on right hand side of boot.
- Heated seats slow warming up.
- Digital dashboard going blank.
- Parking camera not available even though Mr S said he was promised it would be.

And I know that BH has paid out on some of these because, at one point, they accepted that the car was not of satisfactory quality or not as described. However recently BH have told us they are reluctant to do anything more for Mr S, because they said they have genuine concerns about the legitimacy of evidence provided by Mr S. So, based on the specific circumstances of this complaint, I have considered if it would be unreasonable for BH not to take any further action regarding this specific complaint.

BH have told us that they considered the letter from the police, which Mr S provided to our service, but they said they have also been able to obtain another version of that document. They have pointed out that there are differences in the two letters. BH have also said that they checked with one of the dealerships from whom Mr S provided estimates, and this dealership confirmed to them that there is no record for some of the work being carried out. So BH explained that they have genuine concerns about the legitimacy of evidence provided by Mr S to date regarding this complaint and they are reluctant to do anything more for Mr S.

I have also considered what Mr S told us. Mr S has told us that BH's position appears to rely on accusations rather than verified facts. Mr S feels that BH should be held accountable for their own inconsistencies and unsubstantiated claims. He has also provided a lot of evidence including calls he had with various departments at BH.

As such, I have considered all of the above, but I should make it clear that it is not for me to ascertain the legitimacy of documents and there are certain matters that would be more suited for the courts to deal with. However, I do need to decide, on balance of probabilities, whether BH is acting unreasonably for not wanting to do anything more for Mr S regarding this specific complaint.

When coming to this conclusion I have considered all the available information on the case, including what both sides have told us, plus the money BH have already paid/refunded to Mr S. And, based on all the available evidence, and explanations provided from both sides, I have not seen enough to be able to say that, most likely, BH is acting unreasonably by not wanting to take any further action in relation to this complaint. As such, considering the specific circumstances of this complaint, I do not think it would be fair and reasonable to ask BH to take any further action in relation to 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 S to accept or reject my decision before 15 August 2025.

Mike Kozbial  
**Ombudsman**