

The complaint

Miss K complains that the car she acquired financed through a hire purchase agreement with Black Horse Limited, trading as Black Horse, wasn't of satisfactory quality.

What happened

In February 2024 Miss K acquired a used car financed through a hire purchase agreement with Black Horse.

Around April or May Miss K said the engine warning light came on. She took it back to the dealership garage, D. D checked the fault codes on the car and Miss K was told the problem was to do with a sensor. Miss K was able to continue to drive before the appointment for repair but in the meantime two other warning lights came on and the car went into limp mode with a maximum speed of 50mph. She took the car in for repair. Around a month later the light came on again and as she was far from home she called the recovery service. Miss K said she was told it was the wiring loom to the throttle peddle. She booked the car in to the manufacturer's garage. She said the repair took two months and the garage was poor at communicating with her. At first she was without a courtesy car. She was then given one which had no MOT or tax.

Miss K raised a complaint with Black Horse. At this point the warning lights reappeared, and the concerns included a crack in the turbo pipe.

In its first final response letter Black Horse upheld Miss K's complaint. It said the vehicle had been repaired and it intended to make a payment of £351.05. In its second final response Black Horse said there was no evidence that the new issues were present or developing at the point of sale. Miss K brought her complaint to this service.

Our investigator concluded the car wasn't of satisfactory quality when supplied and that Miss K should be allowed to reject it. Black Horse didn't agree and asked for a decision from an ombudsman. It made some additional comments to which I have responded below where appropriate.

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 agree with the conclusions reached by the investigator for the reasons I've outlined below.

I trust Miss K or Black Horse won't take it as a discourtesy that I've condensed the complaint in the way I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where

appropriate) what I consider having been good industry practice at the relevant time. Miss K's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Black Horse, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Miss K. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about 10 years old, had been driven for 70,818 miles and had a price of £8,495. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

I'm persuaded there were faults with the car. I say that because I've seen invoices and diagnostic job sheets which indicate issues related to the car electrics and the charge pipe.

Exhaust pressure sensor and wiring loom

In the model of car Miss K acquired this sensor would be expected to last around 10 years, so it's reasonable to say this likely failed as a result of wear and tear given the car's age.

A wiring loom should last the life of a vehicle, but connections can corrode over time due to constant heat cycling from the engine. It's not clear exactly which part of the harness was repaired but from the invoice it appears to be in connection to the instrument cluster and/or the accelerator pedal, which would be located behind the dash. This area of the car wouldn't be exposed to the elements. So it seems likely this was a premature failure making the car not reasonably durable and so not of satisfactory quality. Black Horse determined it was responsible for the initial issues with the car related to the wiring loom and the sensor. It supported the repairs along with compensation and paid Miss K £351.05.

Charge pipe

Miss K's second complaint relates to concerns about a crack in the charge pipe. Black Horse has said the turbo pipe is unrelated to the first issue and is also not a failed repair. I agree with this view.

It said there is no evidence to suggest the crack in the turbo pipe was present at the time of supply or that the pipe was unsatisfactory at the time. It said if the crack in the pipe had been present from the time of supply, it would have likely been identified during previous inspections by the dealership or independent garages. It said the fact that it was not identified suggests that it is a recent development and not present at the time of supply.

Black Horse said Miss K had purchased a 10-year-old car with over 70,000 miles on the clock so it's reasonable to expect such failures on a car of that age and mileage. It said she was also able to cover over 7,000 miles before the crack in the turbo pipe was identified. Black Horse said it is reasonable to believe that Miss K could not have covered such a considerable distance if there had been an issue with the turbo pipe at the time of supply.

There isn't an independent inspection available for this vehicle to determine if the problem was likely present at the point of supply and the pipe has now been replaced. Where the

evidence is incomplete, inconclusive or contradictory I reach my decision on the balance of probabilities - in other words what I consider is most likely to be the case considering the available evidence and the wider circumstances.

A charge pipe supplies pressurised air from the turbo to the engine. In Miss K's model of car this pipe would be made from an alloy (hard pipe) to deal with higher pressure. Unlike the plastic or silicone pipes which can crack over time and tend to last around seven to ten years, a hard pipe should last 100,000+ miles. The charge pipe on Miss K's vehicle failed at around 78,000 miles so it does seem likely the charge pipe has failed earlier than it reasonably should have. While I agree with Black Horse that Miss K should expect certain wear and tear to need repairs on a ten-year-old car I'm persuaded it likely the charge pipe failed prematurely irrespective of the miles Miss K drove leading to the vehicle not being sufficiently durable and so not of satisfactory quality. I also note that the dealer said the damaged pipe has caused an oil leak and although the charge pipe was replaced its possible the leak may may result in the turbo needing replacement soon.

At this point Miss K asked to reject the car, but the dealership went ahead with the replacement of the charge pipe. And it seems Miss K reluctantly accepted the car back. Black Horse is allowed one opportunity to repair the vehicle, and this opportunity occurred with the wiring loom repair. So I now think it fair and reasonable that Miss K be allowed to reject the car.

Black Horse told this service the issue with the cracked turbo pipe was raised outside the first six months of supply. It said under the Consumer Rights Act 2015, the burden of proof lies with the customer to demonstrate that the fault was present at supply and no evidence had been provided to establish this. I agree that the diagnostic report does not confirm this but as I outlined above the charge pipe on this model of car should last for at least 20,000 miles more than it has which suggests the pipe wasn't sufficiently durable.

Putting things right

Black Horse offered to refund one monthly payment for June 2024 for loss of use of the car. Miss K also wasn't able to use the car between September and October 2024 when it was repaired so I think it fair and reasonable Black Horse refund these two monthly payments.

Miss K has explained to this service how this situation has affected her including that she's had to wait for parts to arrive. Black Horse offered £200 in compensation, and I agree with the investigator that it would be fair to increase this to £300.

- end the agreement with nothing further to pay;
- collect the car (if this has not been done already) at no further cost to Miss K;
- refund Miss K's deposit/part exchange contribution of £3,000;
- pay a refund of three monthly rentals as directed above to cover any loss of use, or impaired use, of the car because of the inherent quality issues;
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- pay £200 compensation Black Horse originally offered (if it hasn't already);
- pay an additional £100 compensation for any trouble and upset;
- remove any adverse information from Miss K's credit file in relation to the agreement.

My final decision

My final decision is that I uphold this complaint and Black Horse Limited trading as Black Horse must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 6 October 2025.

Maxine Sutton
Ombudsman