

The complaint

Mr S complains about problems he has had with a car Black Horse Limited trading as Jaguar Financial Services (“Black Horse”) supplied to him under a hire purchase agreement.

What happened

The facts of this case are familiar to both sides, so I don’t intend to repeat them again in detail here. Instead, I’ll provide a summary.

Mr S entered into a hire purchase agreement with Black Horse in August 2022 to purchase a car. The cash price of the car was £46,040. The total amount due under the agreement, including interest and charges, was £54,496.49 to be repaid through 41 monthly instalments of £401.89, followed by a final repayment (which includes the Purchase Fee) of £24,119.

Within days of taking possession of the vehicle, Mr S noticed a warning signal indicating low coolant levels. Mr S took the vehicle to the nearest manufacturer service centre, only to be told that due to their backlog of work they wouldn’t be able to attend to the matter immediately. Mr S was advised to contact the manufacturers mobile service upon his return home. An engineer from the manufacturers mobile service attended the following day and rectified the issue.

In April 2023, Mr S encountered an issue with the charging socket. And, in June 2023, the electric drive unit (front right – halfshaft seal) was found to be leaking. On the same day, a fault was also discovered in the air conditioning compressor.

In April 2024, the air bag fault light flagged during a MOT which resulted in the vehicle failing the test. The vehicle needed a wiring harness. And the following month, Mr S noticed peeling paintwork on the driver’s side door and offside bumper.

Unhappy with issues he had experienced with the vehicle – and the inconvenience this has caused – Mr S raised a complaint with Black Horse in May 2024.

In June 2024, Black Horse issued its final response letter in which it upheld the complaint in part. Black Horse accepted that the issue with the coolant warning light/coolant level was present at the point of sale, bearing in mind how soon the problem arose after taking possession. It offered £100 in *recognition of the distress and inconvenience this caused*.

However, Black Horse did not uphold Mr S’s complaint about the charging socket, electric drive unit, air conditioning compressor, air bag light/wiring harness and peeling paintwork. In short, Black Horse said that it had *not received any evidence to suggest these faults were present or developing at sale*.

Unhappy with this, Mr S referred his complaint to our service. In doing so, Mr S said he felt compensation of £2,000 was more appropriate to recognise the inconvenience and frustration he has experienced.

One of our investigators looked into what had happened and, in March 2025, issued their findings. In short, our investigator said he didn't think, having considered all the information provided by both parties, that the problems (except for the coolant issue) Mr S had experienced with the car were *as a result of the car being of unsatisfactory quality at the point of supply*. Our investigator went on to say that he felt the £100 Black Horse offered in recognition of the inconvenience caused by the coolant issue was fair and reasonable in the circumstances.

Mr S did not agree with our investigator. As a result, our investigator issued a second set of findings. Our investigator's overall opinion – and the reasons for it – remained the same.

As an agreement couldn't be reached, the complaint has been passed to me to review afresh.

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 conclusion as our investigator and for broadly the same reasons. I know this will come as a disappointment to Mr S, but I'll explain why I think this is fair outcome in the circumstances.

However, before I do, I would like to make it clear that whilst I've carefully thought about everything that has been said and provided by both parties, I won't comment on everything in my decision. This is not intended as a discourtesy to either party, but it reflects the informal nature of this service in resolving disputes.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Black Horse was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The Consumer Rights Act 2015 says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

Black Horse did not supply Mr S with a new car here. The car was around three years old and had travelled just over 39,000 miles at the point of supply. And while it was certainly not an inexpensive car – the price was a good deal less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users. In other words, there's a greater risk this car might need repair and/or maintenance sooner than a car which

wasn't as road-worn.

I don't think there's any dispute that Mr S has experienced problems with the car - that has been well evidenced by both his testimony and the information he's sent us, including the invoices he received from the service centre.

But the simple existence of faults in itself isn't enough to hold Black Horse responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply.

Coolant warning light and coolant level

Mr S says he initially noticed a warning signal indicating low coolant levels within a few days of purchasing the vehicle. The matter was rectified by the manufacturers mobile service the following day – it is my understanding that this was at no financial cost to Mr S.

Bearing in mind its temporal proximity to the purchase date, Black Horse accept that this issue was likely present or developing at the point of sale, which is a reasonable conclusion in my view.

Under the Consumer Rights Act¹ a consumer has a short-term right to reject goods not conforming to contract within 30 days. The requirement under the Act is that the right to reject *is exercised if the consumer indicates to the trader that the consumer is rejecting the goods and treating the contract as at an end. The indication may be something the consumer says or does, but it must be clear enough to be understood by the trader.*

I have seen no evidence that Mr S sought to reject the car on this basis, and the nature of the issue might in any event fall some way short of entitling him to do so. What's more, Mr S appeared to be willing to allow repairs to take place and was satisfied with the result of those repairs - at which point Mr S no longer had the right to exercise short-term rejection.

So, I've turned to look at the impact this had on Mr S. As I've said, Black Horse offered £100 to reflect the distress and inconvenience caused. I accept it would have been disappointing to experience a problem with the vehicle so soon after taking possession of it. And Mr S would undoubtedly have been inconvenienced in arranging for the matter to be rectified, particularly so when the service centre was unable to address the issue when he attended, as a result of which Mr S had to wait for the manufacturers mobile service to arrive the following day.

However, looking at things in the round – including the nature of the problem and how quickly the matter was resolved - I think £100 is a fair way to recognise the impact this had on Mr S.

I'll now turn to the later problems Mr S experienced with the vehicle, namely the charging sockets, electric drive unit seal, air conditioning compressor, airbag light and peeling paintwork.

Under the Consumer Rights Act 2015, where a fault occurs within the first six months, it is assumed that the fault was present or developing at the point of supply and it is generally up to the business to put things right. The business is allowed one opportunity to repair the fault. If the repair isn't successful, the consumer can reject the car. After six months the burden of proof is reversed and it's up to the consumer to show that the fault was present or developing at the point of supply. I've kept this in mind when considering this matter.

¹ Consumer Rights Act 2015 Section 22 (3)

Charging sockets

In April 2023, approximately eight months after taking ownership of the vehicle, Mr S encountered an issue with the charging socket. At this time, the vehicle was now nearly four years old and had travelled 46,320 miles – this being an additional c7,000 miles since Mr S took ownership of it.

Charging sockets themselves can degrade due to wear and tear or other issues. In the absence of evidence to suggest otherwise, I think it's more likely than not that this was the case here. I say this because – on balance - I think the charging socket would have failed much sooner than it did if the issue was present or developing at the point of sale. It follows that I don't think Black Horse have any liability for this issue under the Consumer Rights Act 2015.

Electric drive unit and air conditioning compressor

In June 2023 Mr S reported problems with the electric drive unit and air conditioning compressor. At this point, Mr S had owned the vehicle for approximately 10 months and the vehicle had travelled a total of 48,834 – this being an additional c10,000 miles since Mr S took ownership of the vehicle.

Research suggests electric drive seals are dynamic components that can fail due to various factors, including wear and tear. Similarly, air conditioning compressors do wear out and eventually need to be replaced.

On balance – and, importantly, in the absence of expert evidence to suggest otherwise - I think it's more likely than not that these issues were not present or developing at the point of sale bearing in mind the overall age and mileage of the vehicle. With that being the case, I don't think Black Horse have any liability for this issue under the Consumer Rights Act 2015.

Air bag light

In April 2024 the car failed its MOT because the supplementary restraint system warning light indicated a fault. Upon further investigation, it transpired a new wiring harness was required. It subsequently passed a MOT two days later.

At this point, the vehicle was around five years old, and Mr S had owned it for about 20 months. In that time, the vehicle had travelled an additional c17,500 miles, bringing the total mileage to around 56,500.

Bearing in mind the overall age and mileage of the vehicle – as well as the additional mileage Mr S was able to travel since taking ownership – I can not reasonably conclude that this issue was present or developing at the point of sale in the absence of expert evidence which suggests otherwise. Therefore, in my view, Black Horse do not have any liability for this issue under the Consumer Rights Act 2015.

Peeling paintwork

It looks like concerns regarding peeling paintwork were first raised to Black Horse in around May 2024, although I understand Mr S first noticed the issue a couple of months earlier.

In any event, this issue surfaced around two years after Mr S had taken ownership of the vehicle, during which time it had travelled in excess of an additional c17,500 miles. With that being the case, and taking into account the overall age and mileage of the vehicle, I see no

cause to conclude that this was present or developing at the point of sale. I say this particularly bearing in mind the absence of persuasive expert evidence to the contrary.

Traction Battery

In response to our investigator's findings, Mr S has said that a new fault has come to light relating to the traction battery. As this matter has been raised after Black Horse issued its final response and after referral to our service, it falls outside the remit of this complaint and, therefore, it is not within the scope of this decision.

This matter would need to be raised with Black Horse in the first instance. I make no further comment on this point.

Durability

Although the evidence points to the issues with the vehicle not being present at the point of sale I have also thought about durability – which is a factor when considering satisfactory quality under the Consumer Rights Act 2015.

However, when buying a second-hand car with existing mileage it is reasonably expected that there is a risk some components might need replacing sooner than on a newer less road worn car.

And unless the dealer specifically sold the car as having certain components replaced for new ones – which the available evidence doesn't point towards - I don't think there is a breach of contract in this regard.

Summary

Having thought carefully about everything that has happened, it is difficult for me to make a finding that the car is not of satisfactory quality when considering the nature of the problems, the overall age and mileage of the vehicle and, importantly, the absence of expert evidence in support of this position.

What's more, the passage of time and additional mileage since taking ownership introduces more variables and difficulty in concluding the car was not of satisfactory quality at the time of supply, as opposed to the cause being components reaching the end of their serviceable life and/or wear and tear.

Looking at all of this in the round, I'm not persuaded that Mr S's car was of unsatisfactory quality when supplied. So, I can't hold Black Horse responsible for the problems Mr S has experienced with it, with the exception of the coolant warning light/coolant level.

As I've said, in response to Mr S's complaint, Black Horse offered £100 compensation for the inconvenience caused by the issues with the coolant warning light/coolant level. For the reasons I've explained, I think this is fair offer in the circumstances and I won't be recommending any further compensation award in this regard.

And, as I think there is insufficient evidence to support a claim that the vehicle was otherwise of unsatisfactory quality, I do not think Black Horse need to do anything further to resolve this complaint.

Finally, I am sorry to hear about the inconvenience and disruption this matter has caused Mr S – particularly with regards to his employment. Although it is my understanding that

most (if not all) of the above issues have been rectified under warranty at no cost to Mr S, which is good to hear.

I sympathise with Mr S and I know that he is likely to be disappointed by my decision. However, my role here is to resolve disputes informally and in a way that I think is fair and reasonable based on the circumstances. And I don't think the evidence I have seen shows that there was an inherent problem with the car that was present or developing when it was supplied, except for the coolant issue which, in my view, Black Horse has satisfactorily resolved.

Mr S does not have to accept my findings and if he wishes he can pursue his dispute through more formal avenues such as court (seeking appropriate legal advice as he sees fit).

My final decision

My final decision is that I don't uphold this complaint as I consider Black Horse has made a fair and reasonable offer to resolve it. If it has not already done so, Black Horse must pay Mr S £100 as it has offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 June 2025.

Ross Phillips
Ombudsman