

The complaint

Miss B complains about a car supplied to her using a hire purchase agreement taken out with Black Horse Limited.

What happened

In December 2023, Miss B acquired a new car using a hire purchase agreement with Black Horse. The cash price of the car recorded on the agreement was £54,888, the agreement was for 49 months, made up of 48 regular, monthly repayments, followed by a final payment, which also included a purchase fee. The deposit recorded on the agreement was £13,000. The maximum permitted mileage recorded on the agreement was 28,603 miles.

Over the next few weeks and months, Miss B said she experienced issues with, among other things:

- the infotainment system not working correctly.
- the accelerator pedal in March 2024.
- The boot opening occasionally whilst driving the car.
- The boot and windows of her car showing as open on the phone app that connects to the car. She said she couldn't close the boot or window remotely and had to do so by approaching the car.
- There being an oil leak and had since been aware there was a recall in relation to this issue in June 2024.
- The car not starting in August 2024.

Miss B complained to Black Horse in August 2024 as she wished to reject the car. And in October 2024, Black Horse issued their final response to Miss B, in which they partly upheld her complaint in relation to her phone not being able to connect to the car's system correctly. They explained this had been repaired by the supplying dealership and offered Miss B £100. They went on to say that they replaced the starter motor due to a historic fault code and updated a unit of the car through a software update, but they didn't believe these to be faults with the car, nor could they find any other faults with the car.

Unhappy with Black Horse's final response, Miss B referred her complaint to our service.

Black Horse told our service that the car was taken in for repairs in August 2024 and Miss B was given a courtesy car. They also said the car was ready to be collected in September 2024, but Miss B wouldn't do so as she wanted to reject the car.

Black Horse also told our service that they wanted to amend their offer they had made to Miss B in relation to this complaint. They now thought it wasn't reasonable to expect a car which was new, to have an issue with the starter motor needing to be replaced as well as a software update needed to the control unit for the infotainment system. So, they also upheld these aspects, alongside Miss B's phone app not connecting to the car correctly. Black Horse offered Miss B £300 in relation to this complaint and a 20% pro rata refund of her monthly repayments for the time she was given a courtesy car, if it wasn't a like-for-like replacement. Black Horse also offered Miss B a 20% pro rata refund of her monthly

repayments from the date of when issues were first reported or occurred, if this could be evidenced.

Our investigator communicated Black Horse's revised offer to Miss B and she didn't accept it. So our investigator continued with her investigation.

In February 2025, Black Horse notified Miss B that her agreement with them had been terminated as she had not complied with a default notice that was issued to her previously.

Our investigator issued her findings, and in summary, found that Black Horse's revised offer was fair in the circumstances.

Miss B disagreed with the investigator's findings. And so, the complaint was 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.

Having done so, I'm upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Miss B complains about a car supplied to her under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Miss B's complaint about Black Horse.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Black Horse here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Miss B acquired was new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

In this instance, Black Horse has made an offer they think is fair to put things right. To consider the offer made, I first need to decide whether the car was of satisfactory quality at the point of supply. And in order to do that, I need to consider whether the car had developed a fault.

Had the car developed a fault?

Miss B said there were several issues she experienced with the car. I haven't considered each issue in turn, as I don't think I need to do so in this instance in order to reach a fair and

reasonable outcome. I say this because it isn't in dispute here that the car developed a fault. Black Horse partially upheld Miss B's complaint in relation to her mobile phone not being able to connect to the car. Later, they revised their position and upheld other aspects of Miss B's complaint in relation to issues she experienced with the starter motor and the infotainment screen.

So, from what both parties have said here, I'm satisfied the car had a fault with its infotainment system, starter motor and in relation to Miss B's phone not being able to connect to the car.

Was the car of satisfactory quality at the point of supply?

Given the car was new when it was supplied to Miss B, I'm satisfied the car wasn't durable. I wouldn't expect there to be a need to repair items such as the starter motor and other components so early in the car's lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Miss B.

Remedies under the CRA

What I now need to consider is whether the offer Black Horse made to Miss B was fair and reasonable to put things right, or if it needs to do anything further. And here, I think, is where the crux of this complaint lies. Miss B strongly feels she should be able to reject the car as it wasn't supplied of satisfactory quality, whereas Black Horse feel their offer is a fairer way to resolve things here.

It's worth noting here that Black Horse say the car had been repaired since September 2024, but the car wasn't collected by Miss B, following the repairs carried out. It's also worth noting that the agreement in relation to the car has since been terminated and, from my understanding, the car isn't available to be inspected to consider whether the faults had been remedied. I also think, due to the time that has since passed, if it was possible to inspect the car now, it would be difficult to determine whether any faults present with the car was due to an underlying fault and/or unsuccessful repairs carried out; or due to the car being left dormant for many months.

On balance, considering repairs were carried out; the dealership has said there were no further faults with the car before they released it back to Miss B; and there is no evidence to suggest repairs failed, I'm satisfied that repairs carried out to the car rectified any issues Miss B had identified.

Thinking about all of this, I don't think it would be fair for Miss B to be able to reject the car, as her rights under the CRA, in broad terms, have now been met as all faults identified with the car have been repaired.

I want to reassure Miss B that I have considered her comments and how she has explained she tried to reject the car within the first 30 days of acquiring it. However, I haven't seen any evidence to support her version of events here, including evidence of a confirmed fault with the car within the first 30 days that would allow Miss B to reject it. So, from what I have seen, I'm not persuaded that there was a fault with the car within the first 30 days and that Miss B asked to reject the car during this time period.

Loss of use and other costs

I can see Miss B contacted Black Horse about mechanical faults with the car in March 2024. But I'm mindful that no specific details were given as to what the faults were and Miss B was advised to take the car to the dealership to be diagnosed, but this didn't occur. Also, the call

that took place in March 2024 was mainly about options to hand the car back as Miss B believed she was receiving unreasonable and high insurance quotations to insure the car. So, given the limited information here, I'm not satisfied that there was a fault with the car in March 2024, as no fault was identified.

From what I have seen, the car was booked in to be looked at on 31 July 2024 and neither party has disputed this when our investigator reached the same conclusion. So, I think it is likely issues first became apparent around this time, considering a booking was made for the car to be investigated.

Black Horse offered Miss B a 20% pro rata refund of her monthly repayments from the date of when issues were first reported or occurred. In the circumstances, I think this is a fair way to resolve things here, as the car wasn't performing as it should have been, particularly considering it was new.

Black Horse also offered Miss B a 20% pro rata refund of her monthly repayments for the time she was given a courtesy car. Miss B was given a courtesy car from when she gave her car in for repairs in August 2024 and up until 23 September 2024.

I think Black Horse's offer here to be fair, given the circumstances. I say this because, Miss B has explained it wasn't a like-for-like replacement and Black Horse didn't dispute this when our investigator reached the same conclusion. And considering Miss B was kept mobile during the time repairs were being carried out, I think it is fair Black Horse reimburse Miss B 20% of monthly repayments from 15 August 2024 up until when her car was ready for collection on 10 September 2024.

I'm mindful that some of these dates overlap here, as naturally, there were issues with the car at the same time Miss B was given a courtesy car. So, to be clear, Black Horse only need to reimburse Miss B 20% of monthly repayments from 31 July 2024 to when the car was repaired and ready to be collected on 10 September 2024. I understand Miss B may have stopped making payments towards the agreement at some point. So, Black Horse only need to make a pro rata refund of payments actually made by Miss B during these two dates.

Distress and inconvenience

Miss B has explained the several occasions she has had issues with the car and how this complaint has impacted her mental health.

I think it must have been frustrating for Miss B to have to deal with the issues with the car. It meant that shortly after acquiring it, there were issues with it. Thinking about all this, I think it would be fair and reasonable for Black Horse to pay Miss B £300 in total to reflect the distress and inconvenience she suffered in relation to this complaint.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Black Horse Limited to put things right by doing the following:

- Reimburse Miss B 20% of repayments made towards the agreement from 31 July 2024 up to when the car was repaired and ready to be collected on 10 September 2024. *
- Pay Miss B £300 to reflect the distress and inconvenience caused.

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Black Horse considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Miss B how much it's taken off. It should also give Miss B a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Black Horse has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 8 July 2025.

Ronesh Amin
Ombudsman