

## The complaint

Mr J complains about the quality of a used car he acquired through a hire purchase agreement with Black Horse Limited trading as Jaguar Financial Services ('Black Horse'). Mr J says the car has been in an accident and the damage from this has been poorly repaired. He says the repair is now becoming noticeable. Mr J also says he was misled at the time of sale about this, and he would like his money back or an alternative car.

## What happened

Mr J's complaint is about the quality of a car he acquired in April 2022. The car was used, and it was first registered in October 2020. So, it was about a year and a half old when Mr J received it. It had covered 16,798 miles.

Mr J acquired the car using a hire purchase agreement that was started in March 2022. The vehicle had a retail price of £64,045. Mr J paid a £44,045 deposit meaning £20,000 was financed. This agreement was to be repaid through 24 monthly instalments of £918.08. Mr J has made the repayments in line with the credit agreement, and he has repaid a total of £66,078.92.

Mr J says that he noticed the car had some paintwork imperfections in late 2022. He says he took the car to a bodyshop who told him that the repair was significant, and they thought that the car may have been in an accident. The bodyshop said:

*'I can confirm that I looked at your vehicle [...] 3 January 2023 and could see that the vehicle had been involved in some kind of accident/incident and had been repaired. I advised you to discuss the matter with the garage you had bought the vehicle from'.*

Mr J contacted the dealership in the first week of January 2023. The dealership offered to repair the paintwork (under warranty) but Mr J didn't want the car repaired, he wanted to reject it. The dealership also tried to find him a substitute car, but both parties were unable to agree or find a suitable car.

As part of the complaint investigation, Black Horse, and the dealership, have noted that the dealership purchased the car directly from the manufacturer. The dealership wasn't told that the car had been in an accident when it acquired the car. But the manufacturer has said that cosmetic repairs were made to some of the car's bodywork before it was sold to the dealership. The manufacturer has said that it doesn't think the car was in an accident.

And the dealership has said that when it purchases cars from this manufacturer, if the car has been in an accident this is declared. But an accident wasn't declared in this case. And there is no other record that the car was in an accident.

So Black Horse, and the dealership, don't think that the car was involved in a significant accident. And whilst they both accept that the car has had a repair to the paintwork they think this was minor in nature. The dealership has also said that Mr J looked round the car at the time of supply and thought it was in excellent condition.

Mr J has complained to Black Horse about all of this. Black Horse considered this complaint, and it has upheld it. It said that the manufacturer has confirmed that a minor repair was made to the bodywork of the car, and this may not have been to a satisfactory standard. Black Horse offered to fully repair this, and pay Mr J £99 for any distress and inconvenience that has been caused. It didn't think the problems with the car were such that Mr J should now be able to reject it.

Mr J didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Mr J's complaint. She didn't think the condition of the car was misrepresented to Mr J as the dealership was not aware of any damage at the time of sale. She said that it was clear that the car had been repaired at some point, and this repair wasn't of good quality. And this made the car of unsatisfactory quality overall. But she thought that a repair of the car, and the compensation for distress and inconvenience, Black Horse had offered was fair.

Mr J didn't agree with the Investigator. He said the car will get worse over time and he still felt the condition of the car was misrepresented to him as he thinks it was likely involved in a bad accident.

There was some further correspondence, but no new issues were raised. Because Mr J didn't agree, this matter has been passed to me to make a final decision.

### **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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Black Horse as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

### **Was Mr J misled about the condition of the car before he entered into the finance agreement**

Mr J says he was given false information by the dealership about whether the car had been in an accident.

I understand that Black Horse wasn't a party to some of the sales negotiations, and it may not have been aware of what was discussed between Mr J and the dealer. But it can still be responsible for what was discussed and the information that Mr J was provided by a broker and car dealer. This is because section 56 of the Consumer Credit Act 1974 establishes that a finance company can be held responsible for antecedent negotiations carried out by their agent that take place before the agreement is entered into.

So, to uphold this complaint, I need to be satisfied that a misrepresentation has taken place. And this misrepresentation was instrumental into Mr J entering into the finance agreement.

As far as I can see Mr J wasn't told that the car had been repaired, all parties agree that he wouldn't have been. But as this was a used car, it's reasonable to have expected it to have undergone some repairs and maintenance over time. And I wouldn't have expected all of

these repairs and maintenance to have been disclosed. Particularly as Mr J had the opportunity to, and did, inspect the car before he purchased it.

I would have expected Mr J to have been informed if the car was in a serious accident as this could affect the value of it and may lead to problems later on. But both the manufacturer and the dealership have no record that the car was involved in a serious accident that Mr J should have been notified about.

And I've have noted what the bodyshop has said after it looked at the car. But this also doesn't refer to a serious accident, it refers to an accident or an incident. But something must have happened to damage the car so it's not clear to me what useful conclusions I can draw from this. Most importantly I don't think I can conclude from this report that the car was involved in any kind of serious accident.

In summary, I think the evidence I have points to the damage to the car being to the bodywork only. And so, I've not seen any persuasive evidence that it was of a nature, or type, that I would have expected Mr J to have been informed about in a used car.

Mr J has also indicated that he thought the car was new, or a factory demonstrator. But the sales information refers to the car being used and having travelled nearly 17,000 miles. I can't see that Mr J was misled about this issue.

Having thought about everything I'm not upholding Mr J's complaint that the car was misrepresented to him.

### **Was the car of satisfactory quality?**

The Consumer Rights Act 2015 ('CRA') is relevant to the complaint about the quality of the car. 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 – considering 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 consider might include things like the age and mileage at the time of sale and the car's history.

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 this.

This car was just under two years old when Mr J acquired it, and it had travelled around 17,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later – and the paintwork and finish of the car, and related issues, may not be perfect, which is reflected in the lower price paid in comparison to a new vehicle.

As above, it's accepted that the car had been damaged and then repaired at some point before Mr J acquired it. The manufacturer has said that the car paintwork was repaired before Mr J acquired the car. And the repair was of poor quality and has now started to fail. I think it's reasonable to say that this made the car of unsatisfactory quality.

When a car becomes of unsatisfactory quality beyond six months of the time of sale, a repair is usually the correct way to put things right, on the assumption that a repair can be undertaken. And this is the remedy outlined in the CRA. The information from the dealership

and the manufacturer is that the car bodywork can be satisfactorily repaired. So, I think this would be the right thing to do. I don't think a rejection of the car, or a replacement, would be right here.

Mr J has been inconvenienced by all of this. But he has been able to use the car all of the time as the issues are 'cosmetic'. And I think both Black Horse and the dealership have tried to rectify the problems in a reasonable way. So, I think the £99 suggested by Black Horse for the distress and inconvenience he experienced is fair.

### **My final decision**

Black Horse Limited has already made an offer to repair the car and pay £99 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Black Horse Limited should repair the car bodywork and pay £99.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 August 2025.

Andy Burlinson  
**Ombudsman**