

The complaint

Mr S complains that he was mis sold a finance agreement in relation to a car that was supplied through a hire purchase agreement with Black Horse Limited trading as Jaguar Financial Services (BHL).

As a note, Mr S has been represented during the complaint. For ease, I'll refer to any information supplied by Mr S' representatives as being supplied by Mr S.

What happened

In October 2021, Mr S acquired a used car through a hire purchase agreement with BHL. The cash price of the car was £50,000.00. Mr S paid a deposit of £40,250.00. The total repayment balance on this agreement was £10,790.36 payable in 28 monthly instalments of £385.37.

Mr S initially didn't have an issue with the vehicle, until circumstances meant he'd prefer to sell it. Mr S explained when he applied for some quotes to sell the car, the online service he was dealing with wouldn't agree to buy it from him due to the vehicle previously being registered as a taxi.

Mr S hadn't been told it was previously registered as a taxi, and was surprised about this. He's explained he was told at the time that the only previous keeper was as part of the manufacturer of the vehicle's internal fleet and was driven by an employee of the manufacturer.

After being told about the vehicle's previous history, Mr S complained to BHL. BHL upheld the complaint. In its final response, BHL confirmed that the dealership that had sold Mr S the car has offered to buy the vehicle back at market rate. Alongside this, BHL offered Mr S £150 for distress and inconvenience caused.

Mr S was unhappy with this as he said he would never have bought the vehicle if he knew it had been previously registered as a taxi and wanted a refund of his deposit and premiums paid, minus a calculation for fair usage. As such, Mr S brought his complaint to this service, where it was passed to one of our investigators. The investigator didn't uphold the complaint. They explained in their outcome that this is because whilst there had been a misrepresentation at the time the car was supplied, the offer made to resolve the complaint was fair in this case. By ensuring the vehicle could be purchased back at market rate, there would be no negative impact on Mr S.

Mr S didn't agree with this and raised some potential satisfactory quality issues. The investigator explained that any issues related to the satisfactory quality of the vehicle would need to be raised to BHL as part of a new complaint, as these had not been raised before, and BHL have not had the chance to investigate them to provide an answer. The information provided didn't change the investigator's outcome, and so, the complaint has been passed to me to make a final decision.

As a note, this decision will not look at any elements of satisfactory quality, as the investigator pointed out, these would need to be raised with BHL first and for it to be given the necessary time allowed to investigate any issues raised, this decision will relate solely to the mis-sale element that was complained about.

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've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr S complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr S's complaint about BHL. In this instance, it is not in dispute that Mr S had been told incorrect information about the vehicle. The supplying dealership have accepted this, and BHL have upheld Mr S's complaint because of it. Due to these circumstances, I'll focus my decision on what BHL have offered to do to put things right for Mr S.

I can see that the dealership have agreed to purchase the vehicle back from Mr S at market value, have obtained a quote from the online service Mr S said he was using to try to sell the vehicle, and also explained that if Mr S could provide evidence of a higher quote obtained before then, they would look to review this to ensure he doesn't lose out. BHL have also offered to pay Mr S £150 for the distress and inconvenience caused.

I am persuaded that BHL's actions are fair in attempting to redress what went wrong in Mr S' case here. I say this because by ensuring that the car can be purchased back from him at market rate, makes sure he won't have lost out as a result of the misrepresentation. It also mitigates any loss he may have faced, had he been unable to sell the vehicle due to the vehicles' unknown history. In this case it is not fair for Mr S to receive a refund of his payments, minus a calculation for fair usage, alongside his deposit back, as he has been able to use the vehicle for a significant amount of time, until circumstances meant he'd decided to sell the vehicle. As the offer has been made to ensure he does not lose out due to the vehicle's history, Mr S has suffered no loss. From the information I have, it doesn't appear that the selling dealership set out to mislead Mr S, and the immediately available information didn't show anything wrong with what it had told Mr S about the vehicle.

I can see that Mr S' representative has explained Mr S had been offered a higher value for a part-exchange on another vehicle with a dealership, however, I don't think it is fair for this to be taken as the value that should be covered, as there may be a number of other things that go into this valuation and particular deal that may not be available on the open market, and I have not seen any evidence of this offer being made.

I also think it is fair for BHL to have offered to pay Mr S £150 for the distress and inconvenience caused. I say this because it is reasonable to consider he would have

encountered stress and worry when finding out about the history of the vehicle and the potential limitations on selling it needed.

Whilst I acknowledge Mr S' position on things and why he'd like a refund, based on the information available I am persuaded that BHL have ensured that Mr S will not lose out due to the misrepresentation that occurred and that this is a fair outcome in this case.

My final decision

My final decision is that I don't uphold Mr S' complaint about Black Horse Limited trading as Jaguar Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 September 2025.

Jack Evans
Ombudsman