

The complaint

Mrs C complains that a car acquired under a hire purchase agreement with Black Horse Limited wasn't of satisfactory quality when it was supplied to her.

What happened

The parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In September 2023, Mrs C acquired a used car from a dealership (A). She paid a deposit for the car, with the balance being provided under a hire purchase agreement with Black Horse. The car was just over two years old and had covered approximately 30,000 miles when Mrs C acquired it. The agreement was for 60 months, and the cash price of the car was £22,799.

A month after acquiring the car, Mrs C returned it to A as some warning lights in the car had illuminated. She'd covered just over 1,000 miles in it at this time. A assessed the car and determined the battery was faulty. They replaced this under warranty, and this fixed the problem.

Mrs C then took her car for an MOT and service in May 2024. Mrs C had covered approximately 6,500 miles in the car at this point. The garage advised her that the brake pads and discs needed replacing. They said the discs were corroded. Mrs C paid for them to be replaced.

Mrs C complained to Black Horse as she felt the brake discs shouldn't have needed replacing, and this made the car unsatisfactory from the point of supply. She wanted Black Horse to reimburse her for the replacement brake discs she'd paid for. Black Horse upheld Mrs C's complaint in part. They accepted the need for a replacement battery so soon after supply suggested the car wasn't of satisfactory quality at the point of supply, but the replacement battery had fixed the problem. They said the brake discs being corroded was as a result of wear and tear and didn't offer to reimburse Mrs C for the replacement costs. They did offer her £50 compensation for the initial inconvenience of having to get the battery replaced.

Mrs C didn't accept and brought her complaint to our service. Our investigator didn't uphold it. He said it was accepted by Black Horse that the battery replacement meant the car was unsatisfactory when it was supplied, but a replacement battery had been fitted and had fixed that problem. He said he felt the brake discs had corroded as a result of wear and tear, when he considered the time Mrs C had had the car and the mileage covered.

Mrs C didn't agree. She accepted the brake pads could be wear and tear, but continued to feel the brake discs shouldn't have needed replacing at this time.

As Mrs C didn't agree, it's been 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.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

As the hire purchase agreement entered by Mrs C is a regulated consumer credit agreement this service is able to consider complaints relating to it. Black Horse are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mrs C entered. Because Black Horse supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as – amongst other things – the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

But on the other hand, satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mrs C's case, the car was used and had covered approximately 30,000 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that, ultimately, he thinks the car is of satisfactory quality even though he was satisfied the battery replacement meant the car was unsatisfactory at the point of supply. It's accepted by both parties that the car wasn't of satisfactory quality when it was supplied, due to the battery needing to be replaced so soon after supply. For the avoidance of doubt, I'm satisfied with this outcome too.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, Black Horse in this case, can prove otherwise. However, the CRA allows for one opportunity to repair the goods to bring them back into conformity with the contract. And in this case, the replacement battery in October 2023 did bring the car back into conformity with the contract, and no further issues were identified for several months.

Mrs C brought the further problems with the car to Black Horse's attention in May 2024, eight months after she'd been supplied with it. So, I need to consider if Black Horse have done what I'd expect them to have done once they were aware there were more problems with the car. As this was outside of six months since she'd been supplied with the car, it was for Mrs C to prove any faults had been present at the point of supply.

When the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mrs C has said that A should have checked the car prior to supplying her with it. She said their website explains all cars are checked. Black Horse have provided evidence to show the car had been checked in February 2023 – and I'm satisfied that check did show that the front brake discs had some corrosion on them. I say this because the health check provided to Black Horse by A confirms this, and suggests the discs are cleaned. So, I'm satisfied the car was checked – albeit some time before Mrs C was supplied with the car. However, I don't think that the presence of some corrosion on the front discs alone suggests the car was of unsatisfactory quality at the point of supply. I'm more satisfied than not that it wouldn't be unexpected for a car of this age and previous mileage to show some signs of corrosion, and there isn't anything to suggest the corrosion made the car unsatisfactory or not roadworthy at the point it was supplied to Mrs C. Also, the report only refers to the front brake discs, and Mrs C has confirmed the front and rear brake discs needed to be replaced following the MOT and service in May 2024. I don't have any evidence to show that any signs of corrosion were present on the rear brake discs prior to Mrs C being supplied with the car. The MOT testers have also suggested to Black Horse that the corrosion seen, whilst likely to have been there at point of sale, is a result of wear and tear too.

As mentioned previously, the car Mrs C acquired was just over two years old and had covered approximately 30,000 miles when it was supplied to her. It's fair to say the car was far from new. This means that the standard a reasonable person might expect from it would be lower than for a car that had covered fewer miles. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.

Mrs C had the car for eight months and the car had covered approximately 36,800 miles when the MOT and service were conducted. As previously stated, I'm satisfied that a reasonable person would expect to have to repair or replace some wear and tear components on a used car sooner than they would on a newer one. In Mrs C's case it seems the requirement to replace the brake discs has come sooner than she was expecting, but I'm not persuaded that means the car wasn't of satisfactory quality when it was supplied to her. I'm more persuaded that the work needed to replace the brake discs needed doing as a result of wear and tear.

I can only ask Black Horse to reimburse Mrs C if I can conclusively determine that any faults now known were present at the point the car was supplied to her and they made the car of unsatisfactory quality. And I don't have the conclusive evidence in this case – and without that I can't direct Black Horse to reimburse her for the brake discs replacement.

I know this decision will come as a disappointment to Mrs C, and she's had to arrange for replacement brake discs at cost to herself. But I've explained above why I don't think there's sufficient evidence in this case for me to ask Black Horse to reimburse her those costs. Black Horse have previously offered Mrs C £50 for the initial inconvenience of having to return the car to A for a battery replacement, and I think that's fair in this case.

My final decision

Black Horse Limited have already made an offer to pay £50 to settle the complaint. This offer is fair in the circumstances.

My decision is that Black Horse Limited should pay Mrs C £50 (if they haven't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 9 June 2025.

Kevin Parmenter
Ombudsman