

The complaint

Mr W complains that a car acquired under a hire purchase agreement with Black Horse Limited wasn't as described.

What happened

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

In November 2017, Mr W acquired a used car online direct from the manufacturer (P). P confirmed the sale and more specific information about the car at this point. Mr W paid a deposit for the car, and the balance was supplied under a hire purchase agreement by Black Horse. The car was two years old and had covered approximately 25,000 miles when the agreement started. The agreement was for 60 months, and the cash price of the car was £50,600.

Mr W had full use of the car throughout the duration of the agreement, and it was paid in full and settled in November 2022. However, in February 2024 Mr W noticed water ingress towards the rear of the car. He took it to P's service centre for assessment, and the subsequent inspection identified previous structural damage and repair had occurred.

Mr W was unhappy about this. He said that he hadn't been informed of any previous structural damage or repair when he was provided with the car, and P's pre-inspection report confirmed that there was no evidence of impact or structural repair. Mr W spoke to P about this and provided an independent inspection report which confirmed previous structural repair had taken place.

P accepted that repairs had been done but said the repairs had been carried out to a high standard and the safety of the car hadn't been compromised. Mr W's independent report confirmed this too. However, P did make Mr W an offer to try and resolve the situation. Mr W didn't accept and brought his complaint to Black Horse. He said he'd lost confidence in the car and felt it had been mis-sold to him as the information about the previous repairs hadn't been disclosed. He also felt he'd paid too much for the car considering the previous damage that had now come to light. He wanted to exchange the car for an equivalent model.

Black Horse responded but didn't uphold Mr W's complaint. They said he'd had the car for over six years and had covered approximately 48,000 miles in it, with the mileage of the car now at 73,000. Because of this, Black Horse didn't feel the car was unsatisfactory when it was supplied to Mr W, and they felt the offer made by P was reasonable. They said Mr W hadn't supplied any evidence to show the car had been over-valued when he acquired it.

Mr W brought his complaint to our service. Our investigator didn't uphold it. He accepted that previous repair had been confirmed but didn't think there was enough evidence to conclude that P had confirmed the car was free from previous structural repairs when Mr W ordered it. He said the car had been confirmed as safe to drive, and Mr W hadn't provided any evidence to suggest the car had been over-valued at the point of supply.

Mr W didn't agree. He continued to say that the documents he received when he ordered the car confirmed that no impact or structural repairs had taken place. As a result, he continued to say the car wasn't as described to him when he went ahead with the purchase and the agreement.

As Mr W didn't agree, it was passed to me to decide. I issued my provisional decision on 1 May 2025. It said:

'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.

The fact the car was supplied to Mr W under a hire purchase agreement means that the credit provider has responsibility for things that were said or done by P prior to Mr W's entry into the agreement.

I think it's worth starting by explaining that I'm only looking at Black Horse's responsibility here as the finance provider for the car. Mr W has voiced a lot of concerns about P and has been engaged in a lot of conversation with them post-sale – but at that time they weren't acting as agents of Black Horse, and Black Horse can't be held responsible for anything P have said or done post-sale.

As the hire purchase agreement entered by Mr W 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 Mr W 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 Mr W's case, the car was used and had covered approximately 25,000 miles when he 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 he thinks the car was of satisfactory quality when it was supplied to Mr W. I agree in this case. There is no doubt the car has undergone previous structural repair. But that alone doesn't make the car of unsatisfactory quality. I'll explain why.

The CRA explains that durability is a factor when considering satisfactory quality. And in Mr W's case he had full use of the car for over six years and covered approximately 48,000 miles in it prior to the water ingress and discovery of the previous repairs. The car had also been serviced and had an MOT every year without any undue concern. Both P and Mr W's own independent inspection report confirmed all repairs had been carried out to a professional standard, and the safety of the car hadn't been compromised. So, whilst I can understand why Mr W was unhappy with the condition of the car and why he would say he'd lost confidence in it, I can't conclude that it was unsatisfactory when it was supplied to him.

There isn't anything to suggest Mr W's use of the car since taking delivery of it had been curtailed or there'd been a reluctance from him to drive it. And whilst I understand his concerns about the safety of it, there isn't any evidence provided to suggest the car was unsafe. On the contrary, there is evidence that shows the car was, and had been, safe for Mr W to use.

However, the CRA also implies that the goods must be as described. And in this case, I don't agree that the car was as described to Mr W.

I say this because Mr W received an email from P in November 2017 confirming his order for the car. This email confirmed the car's Vehicle Identification Number (VIN) and registration number. The email also confirmed that the car would undergo the manufacturer's used car checks, and attached a document explaining what those checks were. One of the checks was for 'no impact or structural repairs.' I'm satisfied it was reasonable for Mr W to assume the car had been subjected to the checks outlined on the document provided by P, and that, as he hadn't been informed that any impact or structural damage had been found, it was free from any previous damage or repair. It's now known not to be the case, and the car had been through some previous structural damage repair.

As I don't think the car was as described to Mr W when he acquired it, I'm satisfied that a breach of contract has occurred. Ordinarily, in these circumstances he would be entitled to a claim for damages. However, how to remedy this situation is quite tricky as the agreement has been paid in full, some time ago, and Mr W had full use of the car. Mr W has said that he's suffered financial loss as a result of the previous structural damage and repairs, but I don't think his claim for damages has been evidenced. He's also confirmed that he sold the car privately in September 2024.

Mr W has said he believes he paid too much for the car now he's aware of the previous structural repairs. I can understand why he might believe that to be the case. However, I haven't seen any evidence to show the car had been overpriced. There are many factors that determine the price of a car – and I also have to consider that Mr W's choice was quite rare in the UK at the time and could have carried a premium price for that reason too. Mr W has provided generic information from the car industry that suggests structural damage could impact the price paid for a car, but nothing specific to the car being considered in this complaint. And Mr W had been happy with the car and its performance for a number of years, and long after the agreement had finished. His inspection report showed the repairs to be of a professional standard and the car wasn't unsafe to drive, so I can't accurately assess any impact the previous repairs might have had, if any.

Similarly, Mr W has now confirmed that he sold the car in September 2024, and he feels he lost out as a result, compared to the market price of comparable cars at the time. Mr W sold the car for a price that he was happy with and, as stated above, there are many factors that determine the value of a car. Mr W wasn't forced to sell the car for the price he received – he had the opportunity to decline any offer for a price that was more acceptable to him. I haven't seen anything to show a reduced sale price was accepted purely because of any previous structural damage to the car, so it follows that I can't make a recommendation to Black

Horse to bridge any perceived loss in value.

P initially made an offer to waive the courtesy car charges and pay for the work required following their service of the car, as well as to replace the air vents as a goodwill gesture. Mr W chose to collect the car without having the required work completed so I can't see that he has suffered a loss here. However, he has paid for an independent inspection to be completed, and I think Black Horse should reimburse him for that subject to Mr W providing them with an invoice for it.

That said. Mr W has passionately explained how this situation has affected him. There's no doubt finding out the car had some previous structural repairs completed took away some of his enjoyment of it and caused him some distress. I'm planning to ask Black Horse to pay him £150 to reflect this.'

Mr W responded to say he agreed with the majority of my provisional decision. However, he feels he should be awarded more compensation for the stress, time, effort, and inconvenience he's suffered as a result of being supplied with a car that wasn't as described.

Black Horse responded and accepted the proposed findings

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 find no reason to depart from the findings in my provisional decision. I'll explain why.

I completely understand Mr W's frustrations here. He has explained them articulately in his response to the provisional decision. However, he has also accepted that it's difficult to quantify his loss in relation to this car. He's also said that he feels more compensation would prevent this kind of 'fraud' happening so freely.

It's important to say that my role isn't to punish Black Horse and our service isn't a regulator. I have to decide, on a quick and informal basis, the most appropriate way for a complaint to be decided, based on the evidence provided to me.

My provisional decision explained in detail why I was planning to reach the outcome I have. Mr W hasn't been able to clearly evidence any claim for damages he believes he's entitled to following the breach of contract. I appreciate he feels he should be awarded more compensation, but having considered everything provided I'm satisfied the amounts specified in my provisional decision are fair. Mr W had seven years driving the car without any concern, and I have to take that into consideration when reaching my decision.

My decision remains the same as I had planned when issuing my provisional decision.

My final decision

For the reasons above, I uphold this complaint. Black Horse Limited must:

- Reimburse Mr W for the cost of the independent inspection report – subject to him providing them with an invoice for it.
- Pay him £150 compensation for the distress of being provided with a car that wasn't as described.

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

Kevin Parmenter
Ombudsman