

The complaint

Mr H is unhappy that a car supplied to him under a hire purchase agreement with Black Horse Limited (Black Horse) was of unsatisfactory quality.

When I refer to what Mr H or Black Horse have said or done, it should also be taken to include things said or done on their behalf.

What happened

In May 2023, Mr H was supplied with a used car through a hire purchase agreement with Black Horse. The car was first registered in May 2021 and the finance agreement confirmed the mileage to be 24,053. The cash price of the car was £21,148 and he paid a deposit of £5,500. The amount of credit was around £15,648 and the duration of the agreement was 49 months; with 48 monthly payments of around £296 and a final repayment of £6,715.

In July 2023, a spark plug failed and was repaired under warranty. Mr H was provided with a courtesy car while the repairs were carried out.

Mr H says the car continued to go into limp mode over many months after the car was repaired. However, he is unable to provide any evidence of an ongoing fault, or that he raised this with the supplying dealership at the time. Mr H says a family friend is a mechanic and was able to help him solve the issues by deleting engine related error codes.

In September 2024, Mr H says the car developed a severe oil leak and was advised by a third-party garage that the oil filter had not been fitted properly. And in October 2024, the car wouldn't start and there was a loud noise coming from the engine. The battery was replaced by Mr H's family friend.

In November 2024, the car was serviced. A week later, the EML illuminated. Mr H reported a squeezing noise and said the car went into limp mode. Diagnostic testing found a boost leak from the PCV valve and the timing belt breaking. Mr H was advised the car needed a new timing belt kit and sump removal.

Mr H submitted a claim for the required repairs to be carried out under his warranty, but the claim was declined. He says the warranty company advised him this was due to there being a known manufacturer's fault. They provided him with a copy of a technical service bulletin (TSB) relating to timing belt damage for a car with the same engine type as his.

Mr H arranged for the car to be repaired by a third-party garage, but he continued to experience issues with the car. The PCV valve was replaced but the issues persisted. Further diagnostics were carried out in February 2025, which found the car required a new engine. Mr H was advised this was due to particles being found throughout the engine due to the timing belt issue.

Mr H complained to Black Horse in January 2025. In their final response, Black Horse said there was no evidence that the car was supplied to Mr H with a present or developing fault.

They also said the car was overdue a service which could've contributed to the failure of the timing belt.

Our Investigator reviewed matters and said there was no evidence of the timing belt fault being present or developing at point of supply, and was persuaded it was more likely the fault occurred due to general wear and tear and lack of servicing.

Mr H didn't agree. In summary, he said the fundamental design flaw with the engine in his car is well known throughout the motor industry, and this has left him owing Black Horse a large amount of money for an undriveable car that needs significant, costly repairs.

As no agreement has been reached, the matter has 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.

I'd like to first say that I was very sorry to hear of the difficulties Mr H has faced and the impact this matter is having on him and his health – and I thank him for sharing this with our service. I realise this will be difficult for Mr H, but I've reached the same overall conclusions as the Investigator, for broadly the same reasons.

I think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've taken into account the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Mr H was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it. The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr H entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

Mr H acquired a car that was used, two years old and had covered around 24,053 miles when he took possession of it. It had a cash price of £21,148. So, what would be considered satisfactory quality would be different to if Mr H had acquired the same car brand new and at a greater cost. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. So, Black Horse wouldn't

be responsible for anything that was due to normal wear and tear whilst in Mr H's possession.

I've carefully considered Mr H's version of events and the evidence he's provided. Having done so, it's clear there have been faults that have needed repairing since the car has been in his possession. To uphold this complaint, I would need to be persuaded that these faults were present when the car was supplied to Mr H, and they also meant the car was unsatisfactory quality. I'd like to make it clear that just because a car has faults, this doesn't always mean it was of unsatisfactory quality.

Mr H first reported an issue with the car around six weeks after acquiring it. The EML illuminated and the car went into limp mode, which was found to be the result of a failed spark plug. I've considered that Mr H was only in possession of the car for a short time before a fault arose that impacted the driveability. However, spark plugs are also serviceable items that are subject to wear and tear. As this was a used car, it's reasonable to expect the spark plugs to have suffered some wear prior to Mr H acquiring it. And the vehicle health check, performed on the day the car was collected by the dealership for repairs, confirms Mr H had covered around 2,400 miles during this time. So, I find it's more likely than not the spark plug needed to be replaced because of normal wear and tear and the part coming to the end of its life cycle.

It may be helpful to explain that even if I was to find the spark plug failure was due to a fault that made the car of unsatisfactory quality when it was supplied, repairs were carried out and Mr H was kept mobile while the repairs took place – which I would find to be a reasonable remedy considering the CRA.

Mr H says the car went into limp mode again a few months after the repair, and this happened multiple times over several months. But I've not seen any evidence of there being an ongoing fault with the car beyond the initial repair.

From what I've seen, it seems Mr H didn't report any further issues with the car to the supplying dealership or Black Horse until November 2024, when the wet belt failed. Prior to this, the oil filter was tightened and cleaned in September 2024 and the battery was replaced in October 2024, by a third-party garage. Black Horse weren't notified of these issues and at the time, Mr H had been in possession of the car for around 16 months. Mr H hasn't provided any evidence of these repairs being required due to faults that were present or developing at point of supply, or that parts failed prematurely due to not being sufficiently durable. It also seems the repairs were successful, as Mr H hasn't reported any ongoing issues relating to the oil filter or battery. So, I don't think Black Horse needs to do anything more here.

The wet belt failed in November 2024. At this point, Mr H had been in possession of the car for 18 months and had travelled over 25,000 miles. I consider this to be significant mileage and I think, on balance, it's more likely than not Mr H wouldn't have been able to cover this distance in the car if there was a fault with the wet belt at point of supply. I've also seen no evidence of the fault being linked to the spark plug fault that would indicate the repair had failed.

When considering durability, I can understand Mr H's concerns about a car less than four years old requiring a new engine. And I sincerely empathise with the position this has left Mr H in. But for me to find that the car wasn't sufficiently durable, I'd need to be satisfied that the wet belt failed prematurely due to the car being of unsatisfactory quality at point of supply, meaning there was a breach of contract that would make Black Horse liable for the fault.

I've considered Mr H's point about a technical service bulletin (TSB) regarding the destruction of the timing belt, which seems relative to the issues he experienced with his car. Mr H says his warranty claim was declined for this reason, which means Black Horse financed an extended warranty they knew to be null and void. However, this notice related to a different make and model to the car Mr H acquired. So, I can't say this notice applied to Mr H's car. And without any evidence of there being a known wet belt manufacturing fault with Mr H's car specifically, I've not been provided with enough evidence here to support there was a recall which would render it of unsatisfactory quality - or that the extended warranty was null and void for this reason.

I've also considered the service history of the car. A wet belt is a serviceable item that is subject to wear and tear, so maintenance in line with the manufacturer's recommendations is crucial to avoid premature failure. In this case, the car was due to be serviced every 12 months, or 12,500 miles if sooner. Here, the car had been serviced in March 2023, prior to being supplied to Mr H, at around 24,000 miles. Following this, the service history shows it wasn't serviced again until November 2024. At this point, the mileage was around 49,300. So, the car was overdue its service by around eight months and over 12,000 miles. I therefore find it to be plausible that the premature failure of a component that requires the lubrication provided by adequate oil to function was, on balance, more likely than not to be the result of the lack of recommended servicing. I'd also note that this was one of the reasons Mr H's claim under the manufacturer's warranty was declined.

Based on the evidence that is available to me, I'm unable to reasonably conclude the faults Mr H complains about here were present or developing at point of supply. And when considering the durability of the wet belt, I also need to take into consideration the apparent lack of routine servicing, that is strongly recommended for the purposes of preventing the risk of significant faults and costly repairs. So, taking everything into consideration, I'm satisfied it's more likely than not that the faults Mr H has complained about occurred due to wear and tear. I consider that the issues developed and deteriorated after Mr H was supplied the car. And so, it follows that I think the car was of satisfactory quality when it was supplied to Mr H.

As I can't say Black Horse supplied Mr H with a car that was of unsatisfactory quality, I'm unable to reasonably say they are responsible for the required repairs or agree that they should terminate the agreement or refund any payments he's made. I realise this will come as a disappointment to Mr H, but I don't think Black Horse needs to do anything further.

My final decision

For the reasons explained, I don't uphold Mr H's complaint about Black Horse Limited

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 July 2025.

Nicola Bastin
Ombudsman