

The complaint

Mr J complains about a car he acquired via a hire purchase agreement with Black Horse Limited ('BHL').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Mr J acquired a car under a hire purchase agreement in November 2024; the car was three years old with a cash price of £14,200 and had covered 23,000 miles.

Soon after acquiring the car Mr J complained to BHL. In short, he said there was smell of cigarette smoke inside the vehicle and he was unhappy with the supplying dealer returns policy. BHL issued its final response letter in January 2025.

In summary it didn't uphold the complaint, it didn't think that a smell amounted to a fault with the vehicle and so didn't support rejection, it also didn't comment on the dealerships return policy as it said it was present at the point of sale.

Our Investigator considered the complaint and didn't uphold it for similar reasons. The view outlined reasons why the car wasn't considered to be of unsatisfactory quality and why the selling of the vehicle didn't amount to a misrepresentation.

As an agreement couldn't be reached the complaint 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.

Having done so, I've reached the same overall conclusions as the Investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it affected what I think is the right outcome.

This reflects the nature of our service as an informal alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't, I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. 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.

The quality of the car

The hire purchase agreement entered by Mr J is a regulated consumer credit agreement and this Service can consider complaints relating to it. BHL is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr J entered. Because BHL 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 the age and mileage of the car and the price paid.

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

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 J's case the car was used and had travelled some distance when he acquired it. So, I'd have different expectations of it compared to a brand-new car.

It is also fair to expect there to be some wear and tear to it because of this use. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. 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.

Having undertaken a thorough review of all the relevant circumstances – including the price, age, and mileage of the vehicle at the time of supply, as well as the nature of the fault – I have reached the conclusion that the vehicle was of satisfactory quality at the point at which it was supplied.

Under the CRA if a fault is identified within the first 30 days of purchase that renders a vehicle of unsatisfactory quality, a consumer has the short term right to reject it. Here, Mr J found issues with the car and explained it had a strong smell of cigarette smoke and although the supplying dealer had undertaken a full valet like it said it would the smell remained.

I've thought about what Mr J has said, as well as the strong odour, he explained this issue poses a safety risk to his family. The difficulty here is the lack of evidence that in my view demonstrates the car being unsatisfactory quality. I am not persuaded that there is a fault with the vehicle as defined by the CRA. I fully understand why Mr J is unhappy with the odour inside the car, and I accept that an unpleasant smell may affect his overall perception of the car's quality. However, the presence of a strong odour does not amount to a fault within the meaning of the legislation.

When assessing whether a vehicle is of 'satisfactory quality', the focus is primarily on issues that affect the mechanical condition, durability and functionality of the goods. A fault generally refers to a defect or failure in the car's components or systems, such as the engine, gearbox or other mechanical or structural elements that make the vehicle unsafe to drive, unreliable or unfit for its normal purpose.

In this instance, there is no such evidence of any such defect or mechanical issue. The odour, whilst undesirable, does not indicate that any part of the car is defective or likely to fail prematurely. For these reasons I cannot fairly conclude the car was of unsatisfactory quality even though I appreciate it has understandably affected Mr J's enjoyment of the car.

What I must now go on to decide is whether there was a misrepresentation of the car which caused Mr J to lose out as a result. Having carefully considered matters; I'm not persuaded that a misrepresentation of the car was made prior to Mr J acquiring it, I'll explain why below.

Misrepresentation

If Mr J was told something that was wrong and if that led him to enter into an agreement he would not have otherwise entered into, I would think the agreement had been misrepresented to him and I'd ask BHL to take some further action.

Mr J says he felt mis-led, and the vehicle was misrepresented to him but I'm afraid I don't agree. In this case, I'm considering whether Mr J's specific car was misrepresented to him. For me to decide that it was, I would need to be satisfied both that he was told something false – and that he relied on that information when deciding whether to buy the car.

Mr G has explained after collecting the car he noticed soon after the smell of cigarette smoke was still present. But having thought about the fact that Mr J test drove the vehicle beforehand and by his own testimony discussed the odour with the supplying dealership I'm satisfied he was aware the smell was there before he entered the contract. I'm not wishing to underplay how unpleasant cigarette smoke odour can be, especially to a non-smoker but it seems reasonable to me that the dealership valeted the car to present it in the best light possible. And so, it follows that I don't agree that constitutes a misrepresentation.

The car remains of a satisfactory quality in terms of there is no mechanical failure, it also remains safe, durable and fit for purpose.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 October 2025.

Rajvinder Pnaiser
Ombudsman