

The complaint

Mr O complains about a car supplied to him using a hire purchase agreement taken out with Black Horse Limited ("Black Horse").

What happened

In November 2023, Mr O acquired a used car using a hire purchase agreement with Black Horse. The car was almost four years old, the cash price of the car was £12,400, the agreement was for 60 months, made up of regular, monthly repayments of £315.37. Mr O was required to pay a deposit of £34.15 before signing the agreement. The mileage recorded on the agreement for the car was 90,371 miles.

Mr O said he was told that to acquire the car, he was required to take out GAP insurance as well as a warranty service. Mr O said he didn't require these additional products but proceeded as he needed a car to travel to work.

Mr O said a day or so after acquiring the car, he experienced issues with it. Among other things, these were in relation to the car's infotainment system, auto hold function, clutch and its emergency service SOS button in the car. Mr O thought that he just needed to familiarise himself with the car a little more, as he said issues only presented themselves sporadically.

In December 2023, Mr O was involved in a minor accident, damaging the car's front bumper. Mr O said his car was taken away to be repaired through a claim made on his insurance policy.

Mr O said his car was returned to him in March 2024, and the issues he initially noticed persisted. So, Mr O contacted the supplying dealership, who directed him to his warranty company. Mr O sent the dealership a photo of an error appearing on the car's dashboard and a copy of a diagnostic report completed. Mr O said that they refused to accept liability for the issues he experienced.

Mr O said that his warranty company repaired and covered some of the issues identified, such as mechanical faults. But he said they didn't cover electrical, software or control module issues found. So, in September 2024, Mr O said that he contacted the supplying dealership again to cover the cost of repairs that his warranty wouldn't cover.

Mr O was unable to resolve things with the dealership and so complained directly to Black Horse in September 2024. Black Horse issued their final response to Mr O in November 2024. In summary, they said that they were pleased that his warranty company were able to cover most of his ongoing repairs, but they were unable to help further unless Mr O could evidence that issues were present when he was supplied the car.

Unhappy with Black Horse's response, Mr O referred his complaint to our service.

Our investigator didn't uphold Mr O's complaint. In summary, the investigator thought there were faults with the car as the warranty company had repaired some aspects of it. However, the investigator didn't think the issues with the car meant it was supplied of unsatisfactory

quality, but rather that they were wear and tear issues, given the mileage of the car when it was supplied. The investigator also didn't think there was sufficient evidence to show that the agreement had been mis-sold to Mr O.

Mr O disagreed with the investigator's findings. Among other things, Mr O strongly felt he was pressured into taking out the additional products to acquire the car. And Mr O said he experienced issues with the clutch as early as December 2023, so didn't think it was supplied of satisfactory quality as issues presented themselves within six months of acquiring the car.

As Mr O disagreed with the investigator's view, the complaint was 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'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, 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 point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr O complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr O's complaint about Black Horse.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Black Horse here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr O acquired was used, almost four years old, and within that time, it had been driven over 90,000 miles and cost £12,400. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn. And I think it is fair to say that the car had been driven significantly more than the average car of a similar age.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

Mr O has complained about several issues with the car. Some, he says he experienced within a day or so of acquiring the car. Some which became apparent later through diagnostic tests completed on the car. I haven't commented on all the issues Mr O says he experienced in turn, nor do I feel I need to do so to reach a fair and reasonable outcome to this complaint.

It's also worth highlighting that diagnostic reports have also been supplied by Mr O which show fault codes. These in itself do not confirm a fault with the car, as they can be historic in nature and at times, further tests are required to determine the specific fault present, if any.

However, in this instance, it isn't in dispute that there were faults with the car. Mr O has explained some aspects of the car were repaired under warranty. So, I'm satisfied there were faults with the car, due to some being diagnosed and also some being repaired under warranty.

Was the car of satisfactory quality at the point of supply?

I now need to consider whether these faults were present or developing at the point of supply, and whether that meant the car wasn't of satisfactory quality.

Like any component in a car, it is subject to wear and tear damage. While it is intended that no part should fail, they can. A manufacturer cannot be expected to provide an indefinite guarantee against a component part failure.

The criterion is "durability" not "duration". Whether something is durable is linked to whether it is defective at the point of sale. If something is not durable, that is, it doesn't last as it is expected to, then it is indicative of something being inherently wrong with it (if the component has also been maintained in line with its manufacturer's guidelines, where applicable). The defect will, therefore, have been present or developing at the point of supply.

Within a diagnostic report completed in March 2024, there was a fault code in relation to the clutch system. Even if I was to conclude there was a fault with the clutch (and to be clear, I'm not making that finding from the limited information supplied in relation to the clutch), I still don't think I would reach the conclusion that the fault was present or developing at the point of supply to consider the car of unsatisfactory quality. I'll explain why below.

Before the car was supplied, it had been driven over 90,000 miles within around four years. So, I think it is fair to say that the car had been driven more frequently than a reasonable person would expect it to have been driven. I also think it is fair to say that more wear and tear has occurred to the car during those four years than would have occurred to an average car. While I accept I am not an expert mechanic, from a general search online, a clutch system in a car like Mr O's has a life expectancy of around 60,000 to 100,000 miles, before issues may become apparent. So, I think it is reasonable to expect that problems might occur when a car reaches the mileage Mr O's car reached.

Turning my attention now to the other various issues identified more generally, as I'm mindful that there is a recurring theme here. As I explained above, I'm satisfied that some of the issues are faults that have been found with the car. Having said that, no information supplied suggests that the faults were present or developing at the point of supply. While Mr O said he experienced issues with the car a day or so after acquiring it, no diagnostics were completed to confirm faults until March 2024, several months later. And once faults were identified, nothing has been supplied to suggest they were present or developing at the point of supply.

On occasions, some diagnostic reports were completed on the car around 7,000 or so miles after it was acquired and some issues identified were normal serviceable items on a car. So, I don't think Black Horse needs to do anything further here as no faults from the various reports conclude that issues with the car were present or developing at the point of supply which meant it wasn't of satisfactory quality.

Turning my attention now to Mr O's complaint in relation to the additional products he feels he was mis-sold and pressured into taking out. While I appreciate Mr O's comments here, no evidence has been supplied that suggests they were mandatory. I'm also mindful that on the agreement signed by Mr O, they were called "*extras*" under the table which listed their cost. And it doesn't say anywhere in the terms of the agreement that the additional products taken out were mandatory. So, with the limited information supplied, I'm not persuaded by what Mr O has said here and I don't think Black Horse needs to do anything further.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Black Horse Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 26 August 2025.

Ronesh Amin
Ombudsman