

## **The complaint**

Mr M complains about the quality of the car he was supplied by Black Horse Limited trading as Land Rover Financial Services ("Black Horse").

## **What happened**

Mr M entered a hire purchase agreement with Black Horse in April 2022 for a new car. It was a three-year agreement. In January 2025, the car lost power and broke down on a journey and was recovered after several hours for repairs. These repairs took quite some time and Mr M complained to Black Horse on 17 February 2025.

They issued their final response letter (FRL) in early March 2025, and didn't uphold his complaint. They accepted there had been a fault with the car, but didn't feel that after approaching three years, that this fault was present or developing at the point of sale, so said the car was of satisfactory quality.

Mr M brought his complaint to our service at this point, and said the car was still not repaired, and he didn't feel it was of satisfactory quality, as it shouldn't have had a fault this soon from new. He told us he wanted compensation for his time without the vehicle.

Shortly after this, Black Horse contacted us to say they had reviewed their outcome and accepted now that the car was not of satisfactory quality. They said the car was now repaired, but made an offer to repay Mr M 25% of his payments for the period the car had been off the road, as well as confirming they had provided a courtesy car for that period. They also offered him £300 for the distress and inconvenience caused to him.

The investigator here put this offer to Mr M but he didn't accept it, saying he wanted 75% of his payments refunded. He also said he wanted further compensation because he had intended to sell the car to end the agreement early, but it took so long to repair that he lost potential value on the sale price which wasn't fair.

The investigator went on to investigate his complaint, and issued their opinion in May 2025 saying they felt the offer made by Black Horse was fair and they weren't recommending anything more. Mr M had confirmed that the car had now been returned to him and was working fine, so they didn't feel Black Horse needed to do more than this offer.

Mr M disagreed and asked for an Ombudsman to make a final decision. He told us that the main issue he had faced was that the value of the car depreciated in the time it took Black Horse to repair it and return it to him and they should compensate him for this. He also said that as he had been delayed in selling the car, he had to pay a considerable sum in car tax in April 2025, which he hadn't intended to pay as he planned to sell the car before this. Finally, he didn't feel £300 payment for the distress and inconvenience reflected the distress on the day he broke down when he and his family were left roadside for many hours. The case has come to me for a final decision.

## **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's affected 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.

In considering this complaint I've had regard to 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 M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Black Horse are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Black Horse can show otherwise. But, where a fault is identified after the first six months, the CRA implies that it's for Mr M to show it was present when the car was supplied.

So, if I thought the car was faulty when Mr M took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Black Horse to put this right.

I'm glad that Black Horse eventually recognised that the car was not of satisfactory quality. A car purchased new should not be having these kinds of problems inside three years, and I am satisfied that the problems show it wasn't durable. All parties have accepted now that the car wasn't of satisfactory quality, and repairing it was a fair resolution to this.

So, the only remaining disagreement is whether the compensation offered by Black Horse to Mr M is fair. I've thought about the different elements of this, and how we would consider this if the complaint came to our service without an offer having been made by Black Horse.

Mr M was provided with a courtesy car whilst his car was off the road for several weeks for repairs. This is what we would expect to see a business do wherever possible, and it doesn't matter where the car is sourced from. Mr M commented that it didn't come from Black Horse, but this is often the case and doesn't concern me. Provided Mr M was kept mobile throughout, I would view that as the minimum fair resolution.

Our service may consider further compensation if the car wasn't an equivalent size or was missing specific features needed compared to the car provided under the agreement. I don't know whether this was the case or not, but Mr M has also been offered a 25% refund of his monthly premiums by Black Horse for the period in question. Even if the courtesy car

provided was not equivalent to his car that needed repairs, a 25% refund is probably more than we would recommend on top of the courtesy car, so I think this is fair.

Mr M has then said he doesn't feel the £300 distress and inconvenience payment is enough to recognise the traumatic day he and his family suffered at the roadside when he broke down. I was sorry to hear about the day he suffered, but I am satisfied that a £ 300 payment here adequately recognises the distress and inconvenience caused, and is in line with similar payments our service would recommend.

Finally, Mr M has talked about the delays caused by the car being off the road for several weeks for repairs firstly meaning the car depreciated in value when he had intended to sell it, and secondly, meaning he ended up having to pay extra car tax in April 2025, when he had intended to sell the car before this.

Whilst he may have planned to sell the car, he didn't have the automatic right to sell the car as he didn't own it at this point. Alongside this, we wouldn't consider depreciation in circumstances like this. Car's can fluctuate in value throughout an agreement, and I'm sorry if this had an impact on his plans, but this isn't something we would expect Black Horse to compensate him for. Expecting a higher value also doesn't equate to achieving a higher sale price, and we wouldn't hold Black Horse responsible for changes in the value of the car whilst still in the three-year agreement he signed with them. There was a minimum guaranteed future value at the end of the agreement, anything else to do with value is not something I'd expect Black Horse to compensate him for.

Similarly, the change in car tax costs is outside of Black Horse's control and fell within the three-year period of his agreement. As such, there is nothing I'd expect Black Horse to do here for something outside of their control. Alongside this, once he has sold or part exchanged the car, he would be entitled to a pro rata refund of tax paid once he no longer owned the car.

Mr M has also mentioned having to deal with the car being returned multiple times with ongoing faults, which he feels shouldn't have happened. I can only assume these are issues outside of this complaint, which I've seen no details of, so can't comment on. No other issues have been raised as part of this complaint other than this breakdown in 2025, so that is all I have investigated and considered.

Overall, I am satisfied that Black Horse's offer is fair. The compensation offered alongside the courtesy car he was provided is probably slightly more than we would offer in similar circumstances, and if any of it is yet to be paid, I invite Mr M to contact Black Horse directly to arrange this.

### **My final decision**

I am not upholding this complaint as the offer made to resolve things was fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 August 2025.

Paul Cronin  
**Ombudsman**