

## **The complaint**

Mr W has complained that he was not properly compensated after rejecting a caravan he acquired in June 2019 using a hire purchase agreement with Black Horse Limited ("Black Horse"), and subsequently acquiring a replacement caravan, also using a hire purchase agreement with Black Horse.

## **What happened**

Mr W and his wife acquired a caravan in June 2019. The seller of the caravan – which I'll refer to as the intermediary from now on – seems to have introduced Mr W to Black Horse, which provided the finance. I should say here that the hire purchase agreement on this and the replacement caravan was in the sole name of Mr W, so I'll refer only to Mr W in the rest of this decision.

In summary, mould was discovered in the first caravan shortly after Mr W acquired it, and he said that he had agreed with the intermediary that the caravan would be rejected, and the agreement ended. Mr W then acquired a replacement caravan in November 2019, again using a hire purchase agreement with Black Horse. However, Mr W does not consider that he has received the appropriate refunds from Black Horse in relation to the unwinding of the contract.

The first caravan, which Mr W acquired in June 2019, appears to have been about 10 years old, and cost £40,937.40, including an amount for some decking. There were additional charges (for site fees, rates, and water and sewage) of £3,057.60, bringing the total cost to £43,995. Mr W paid a deposit of £7,500, and the balance of £36,495 was borrowed from Black Horse using a hire purchase agreement. The monthly payments due under the agreement were £875.04 over 48 months. The total charge for credit on this agreement was £5,506.92, so the total amount repayable was £42,001.92.

Following the discovery of mould in the caravan, Mr W said the intermediary offered him various options – a full refund, a full repair of the caravan, a replacement caravan of a similar specification, or replacement with a new caravan. Mr W went on to say that after much discussion he opted to replace the rejected caravan with a new one, subject to agreement on price.

Mr W then acquired the new caravan in November 2019. The hire purchase agreement for the second caravan shows that it cost £65,368.62, and Mr W paid a deposit of £8,137.19, so the amount borrowed was £57,231.43. The monthly payments required under the agreement were £666.47 over 120 months.

Mr W complained to the intermediary as he didn't agree with the figures shown on the second agreement. Mr W then complained to Black Horse in July 2023, saying that he had not received a refund of the four monthly payments he had made under the first agreement, following his rejection of the caravan because it was not of satisfactory quality. He also thought that Black Horse should refund the difference between the amount borrowed (£36,495) and the settlement figure (£34,231.43).

Black Horse issued its final response letter to Mr W in February 2024, in which it said it did not uphold the substance of Mr W's complaint, but it accepted that there had been a delay in its response and paid Mr W £50 for the distress and inconvenience this had caused.

Black Horse said that its investigation showed that the complaint about the quality of the caravan had been made to the intermediary and not to Black Horse – its own records showed that the first caravan had been returned and a new one acquired under a part exchange agreement, rather than a rejection. It issued a settlement figure as it had been requested to do, and the first agreement was settled and the second agreement initiated.

Mr W was not happy with this, so he brought the complaint to this service. Our investigator looked into the complaint, but didn't think it should be upheld. Mr W didn't agree and asked for it to be reviewed by an ombudsman.

I issued a provisional decision in June 2025, explaining that I agreed with our investigator's conclusions but, as I had slightly different reasoning, I was giving both parties an opportunity to respond. Mr W sent in a very detailed response, which I've discussed below. Black Horse didn't respond to the provisional decision but did answer further points that we put to it.

### **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've decided not to uphold this complaint. I'll explain why.

I've taken account of the relevant law, in particular the Consumer Rights Act 2015, ("CRA"). Because Black Horse supplied the caravan under a hire purchase agreement, it's responsible for a complaint about the quality, and there's an implied term that the caravan was of satisfactory quality. Goods are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances.

There are certain times, set out in the CRA, when a consumer is entitled to reject goods, in this case the caravan, if they don't conform to contract – a short term right to reject within 30 days, or a final right to reject if a repair or replacement hasn't resulted in the caravan subsequently conforming – that is, it then being of satisfactory quality.

I set out my reasoning in my provisional decision as follows:

*"Black Horse sent in copies of the finance agreements, and its records of Mr W's accounts. Mr W sent in copies of correspondence with Black Horse and the intermediary, and details of the sequence of events. I have read and considered all of these.*

*I should first say that in this decision I am only considering the actions of Black Horse. I can see that Mr W has made numerous references to the intermediary being the agent of Black Horse. I am conscious that the term agent can be used to mean a number of things, but here I am only concerned with whether there was a relationship between the intermediary and Black Horse such that Black Horse would have been responsible for the actions of the intermediary.*

*I have considered this point carefully, but I have no evidence to suggest such a relationship existed. Firstly, in regulatory terms, the intermediary was not an Appointed Representative of Black Horse, which would have made Black Horse responsible for the intermediary's actions in relation to the hire-purchase; instead, the intermediary was (and remains) directly authorised by the Financial Conduct Authority. Secondly, I can see nothing in the evidence*

*provided by either party to suggest any relationship other than a commercial agreement between the intermediary and Black Horse such that the intermediary could introduce potential customers to Black Horse. Indeed, the finance proposal form that Mr W filled in includes a 'status disclosure statement' that says "We can introduce you to one or a limited number of lenders to assist with your purchase....."*

*Therefore, although I have some documents that were provided by both parties, and which originated from the intermediary, I have referred to them simply to determine the sequence of events and have only considered Black Horse's actions.*

*Our investigator spoke to Black Horse in June 2024 to discuss what had happened. Black Horse told her that the return of the of the first caravan was not treated as a rejection or an unwinding of the agreement. Instead, Black Horse said it had agreed with the dealer that this was a part exchange arrangement, and it was not aware at that point that Mr W was unhappy about the quality of the first caravan. The records of Mr W's account that Black Horse sent in support this, with no mention in 2019 of anything other than a part-exchange arrangement.*

*From the information provided by Mr W, it seems that his complaint in 2019 was made to the intermediary rather than Black Horse. So I don't have evidence to show that Black Horse was aware of any concern about the quality of the first caravan before Mr W made his complaint in July 2023.*

*Taking all this into account, I'm not satisfied that Black Horse acted unfairly in treating the arrangements as a part exchange of one caravan for the other. I've no evidence to suggest it acted other than in line with the information and instructions it had. As a result, I'm not proposing to uphold Mr W's complaint.*

*Mr W has said that he thinks Black Horse should refund the monthly payments he made under the first agreement. However, as I have concluded that it has not acted unfairly, and was not aware of Mr W's complaint about the quality of the first caravan, I cannot fairly require Black Horse to make any refunds.*

*Mr W has also queried other figures relating to the two agreements. Having looked at the information provided by both parties, I have been able to identify how the borrowing figures seem to have been arrived at, which I have set out below and which I hope will be helpful for Mr W.*

*I have a copy of the settlement figure that Black Horse sent to Mr W for the agreement on the first caravan. This document shows the amount owing at that time was £38,501.76 (this equates to the total amount payable of £42,001.92, minus the four monthly payments of £875.04 Mr W had made by then). A rebate of £4,270.33 was applied, in line with Consumer Credit regulations, leaving a balance outstanding of £34,231.43. This appears to have been settled by the intermediary and factored into the calculations on the second agreement.*

*Mr W said he paid a deposit of £13,000 on the second caravan. This differs from the deposit shown on the hire purchase agreement. Having looked at the figures sent in by Mr W, the difference seems to be explained by the part exchange of the first caravan. The figures – which were provided to Mr W by the intermediary – show the settlement figure of £34,231.43 (which had been paid to Black Horse by the intermediary as far as I can see), added to the caravan cost of £65,368.62, bringing the total owing to £99,600.05. This was offset by the part exchange value for the first caravan, obtained by the intermediary, of £29,368.62, bringing the total owing down to £70,231.43. After Mr W's deposit of £13,000, the amount borrowed was £57,231.43.*

*However, the second hire purchase agreement simply shows the cost of the caravan (£65,368.62) and the amount borrowed (£57,231.43), with the difference being £8,137.19.*

*Having looked at these figures, I have seen nothing to change my view that Black Horse has not acted unfairly here. The evidence indicates that it issued the settlement figure on the first agreement as it was requested to do, and arranged the second agreement based on the information provided to it. Black Horse would have had no responsibility for the part exchange value obtained by the intermediary. As I noted above, I make no comment on the actions of the intermediary – if Mr W remains unhappy, he should contact the intermediary.*

*I do appreciate that this has been very difficult for Mr W. There were delays in Black Horse providing its response to Mr W, and it paid £50 in recognition of the distress and inconvenience caused. I think this is reasonable in relation to the delay.*

*In summary, I understand that Mr W feels strongly about this, but overall, I'm not satisfied that Black Horse has acted unfairly here. So I'm not proposing to uphold this complaint."*

As I noted above, Mr W sent in a lengthy response to my provisional decision. I have not set out every point here, as in part he reiterated his earlier comments which I have already considered above. But I have read and considered all the points raised.

Mr W referred to an on-site Black Horse agent. I explained in my provisional decision that I had seen nothing in the evidence provided by either party to suggest any relationship other than a commercial agreement between the intermediary and Black Horse such that the intermediary could introduce potential customers to Black Horse. Nonetheless, we asked Black Horse whether an employee would've been on site, and it said that this would not have been the case. I should say here that, given that the intermediary is a business that is authorised by the Financial Conduct Authority in its own right, I would've found it surprising if Black Horse – or indeed any lender – *had* had an employee based in that business.

Mr W considers that the hire-purchase agreement ended immediately the intermediary agreed that the caravan should be rejected. However, the amount outstanding on that agreement was settled at the time the new agreement started, which was in November 2019. In Black Horse's records, one agreement was settled and a new one began. The records show that Mr W signed the new agreement electronically. Additionally, because the first agreement continued to run between July and November 2019, payments continued to be taken by direct debit.

The remaining points raised by Mr W seem to me to relate primarily to dealings with the intermediary, and as I've explained above, I have no evidence of a relationship between the intermediary and Black Horse such that Black Horse would have been responsible for the actions of the intermediary. Nor do I have evidence to show that Black Horse was aware of any concern about the quality of the first caravan before Mr W made his complaint in July 2023.

I note that Mr W said he called Black Horse and there was some mention of the caravan being rejected, but this seems to have been after he made his complaint in 2023. And Black Horse said that it did not hold a complaint record that referenced the initial caravan being rejected.

Having carefully considered the points raised in Mr W's response to my provisional decision; I'm not satisfied that they are sufficient to change my conclusions. I remain of the view that I don't consider that Black Horse acted unfairly in treating the arrangements as a part exchange of one caravan for the other – that is, one hire purchase agreement was settled and a new one put in place. I've no evidence to suggest it acted other than in line with the

information and instructions it had at the time. Therefore, although I appreciate that Mr W remains unhappy, I have decided not to uphold this complaint.

### **My final decision**

For the reasons given above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 September 2025.

Jan Ferrari  
**Ombudsman**