

The complaint

Ms B, who is represented by a third party, complains that Black Horse Limited ('Black Horse'), trading as Land Rover Financial Services, irresponsibly granted her a hire purchase agreement she couldn't afford to repay.

What happened

In February 2017 Ms B acquired a car financed by a hire purchase agreement from Black Horse. She borrowed £30,703.50. Ms B was required to make 49 monthly repayments of £406.63. She paid a deposit equivalent to £6,168. The total repayable under the agreement was £43,793.48.

Ms B says she struggled to meet the repayments and says this was due Black Horse treating her unfairly as a customer.

Ms B complained to Black Horse in January 2023, saying that Black Horse ought not to have granted the finance and that she has lost out because of it.

Our investigator thought that, whilst we hadn't had sight of the checks Black Horse carried out at the time, from the evidence and information we'd been given looked to be affordable.

As Black Horse doesn't agree, Ms B's complaint has therefore been passed 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.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Ms B's complaint.

I will therefore first look at what we know about any checks Black Horse may have carried out. I'll then move on to look at what reasonable and proportionate checks would have been likely to have shown.

Did Black Horse carry out reasonable and proportionate checks to satisfy itself that Ms B was in a position to sustainably meet the repayments that were due under the agreement?

When assessing affordability, there isn't a set list of checks that Black Horse needed to complete, but they needed to be borrower-focused and proportionate to things like the type of lending, the cost of the lending as well as the amount, and the period of time over which Ms B would need to make repayments.

Black Horse hasn't sent us details of the checks it carried out before agreeing to provide the finance. So I can't say what it did or didn't do in relation to what Ms B put on her application form, such as checking what she was earning each month. I also don't know what the credit

check which I would have expected it to carry out showed about her credit history, along with what she needed to pay each month for items such as household expenses.

As things stand, I therefore can't make a finding as to whether Black Horse carried out reasonable and proportionate checks.

What would reasonable and proportionate checks have shown at the time? And based on that did Black reach a fair decision to lend?

I can't be certain what Ms B would have told Black Horse had it asked about her income and regular expenditure. To help, I've reviewed some bank statements Ms B sent us from the three months before she made the application.

Our investigator noted that the bank statements are not as comprehensive as they could be. The statements show that Ms B had another account, held jointly with her husband, from which she was transferring her income. Household bills also came out of that account. Ms B has also told us how she split household costs with her husband. She says he paid the mortgage whilst splitting utilities and transport costs with her husband. She also says she paid for food shopping that came to around £280. She also says that aside from her earned income she received some state benefits, including child benefit, which came to around £350 per month.

Only some of this can be seen in the bank statements we've been given. They show spending on food, utilities and insurance. They also show loan repayments, the largest one being £534 taken each month, with a second one taking around £22 each month.

Our investigator also queried a large sum received by Ms B in December 2017 and, having received a satisfactory explanation, it's not something that affects my finding. But she wasn't provided with details of the other account she held with her husband.

I've also noted that Ms B was making regular use of her overdraft. Overdraft use can sometimes be an indicator of financial difficulty when it's found alongside other signs of being financially stretched. But I can't say that's the case here, especially given the high level of discretionary spending by Ms B each month.

Those representing Ms B provided us with their own analysis of Ms B's income and spending, but I don't find it especially helpful given what Ms B's told us about how household finances were being shared with her husband.

Our investigator found that, based on the available evidence and information, Ms B would be left with around £600 each month by way of disposable income. So the new payments due under the agreement looked to be something she could afford.

I'm broadly in agreement with this, given the issues I've already flagged. I also therefore agree that based on what our investigator found the new monthly repayments looked to be affordable. I also think the level of monthly repayment suggests that Ms B was likely to be able to afford it alongside her committed monthly expenditure and was able to continue repaying it sustainably going forwards.

Did Black Horse act unfairly or unreasonably in any other way?

I've seen that Ms B has raised her concerns about the quality of the car. That's a separate complaint issue that Black Horse would have to comment on before the matter was referred to this service. I can't see that's happened. I also haven't seen anything to show or suggest

that Ms B took steps to make Black Horse aware of any payment issues she was having during the course of the agreement.

So, taking everything into consideration, I'm not persuaded that Black Horse acted unfairly in approving the finance. I also can't say that had Black Horse carried out better checks, it's likely it would have been persuaded that Ms B was in financial difficulty or that there was a real risk that her financial welfare would deteriorate.

To summarise, taking all the information and evidence I've seen into account, I don't consider there's enough to show that the agreement may have been unaffordable for Ms B. And I don't find that Black Horse treated Ms B unfairly in any other way either based on what I've seen.

I've considered whether the relationship between Ms B and Black Horse might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Black Horse lent irresponsibly to her or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 5 September 2025.

Michael Goldberg
Ombudsman