

The complaint

Mr E complains that a car that was supplied to him under a hire purchase agreement with Black Horse Limited, trading as Jaguar Financial Services, wasn't of satisfactory quality.

What happened

A new car was supplied to Mr E under a hire purchase agreement with Jaguar Financial Services that he electronically signed in May 2024. The price of the car was £49,236.60, Mr E paid a deposit of £11,065 and he agreed to make 36 monthly payments of £448.58 and a final payment of £21,186 to Jaguar Financial Services.

There were some issues with the car about which Mr E complained to Jaguar Financial Services in October 2024. The car was repaired by a manufacturer's dealer in November 2024 and it was returned to Mr E in December 2024. Jaguar Financial Services upheld Mr E's complaint and said that it planned to make a payment of £300 to him for the distress and inconvenience caused by the faults with the car and the number of times it had been seen by the manufacturer's roadside assistance service. Mr E wasn't satisfied with its response so complained to this service.

His complaint was looked at by one of this service's investigators who didn't recommend that it should be upheld. His complaint was then looked at by another of this service's investigators who, having considered everything, didn't think that Jaguar Financial Services had acted fairly. She said that Mr E had made it clear that he'd lost complete faith in the car and it was affecting his physical and mental health so Jaguar Financial Services should have gone through Mr E's options to look into potentially handing back or swapping the car or to have given him additional support whilst he was going through a difficult time. She said that she understood that Jaguar Financial Services had paid Mr E £300 and she recommended that it should pay him an additional £100 for the distress and inconvenience that he'd been caused and remove any adverse information from his credit file in relation to the agreement.

Neither Mr E nor Jaguar Financial Services has accepted the investigator's recommendation so I've been asked to issue a decision on this complaint. Jaguar Financial Services says that it didn't need to explore any further options and fails to see why an increase in compensation is required. Mr E has provided a detailed response to the investigator's recommendation and says, in summary and amongst other things, that: he had to settle the hire purchase agreement and sell the car at a cost to him of approximately £1,500; he lost the deposit that he'd paid for the car; he had to buy a used car at a cost of £26,699; and he lost several monthly payments because he had the use of the car, or a courtesy car, for some of that time but there were times when he didn't have the use of the car while it was allegedly being repaired.

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.

Jaguar Financial Services, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr E. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr E was a new car and I consider that it was reasonable for him to expect that it would be free from even minor defects.

It's clear that there were some issues with the car and Mr E has provided break-down reports from the manufacturer's roadside assistance service in August, September (twice) and November 2024. Despite those break-downs, the dealer says that it hasn't had the car in since it sold it in May 2024 and I've seen no evidence to show that Mr E took the car to another garage for the issues to be diagnosed until three days after the November 2024 break-down when it was taken to a manufacturer's dealer. It diagnosed faults with the car and the faults were repaired. The job card records the mileage as 7,027 miles, so in less than six months the car had been driven for more than 7,000 miles. Mr E says that the car continued to have fault lights appear on the dashboard causing the manufacturer's roadside assistance service to attend but he's not provided any evidence to show that there continued to be issues with the car after it was repaired, and he then sold the car.

I consider that the faults with the car caused it not to have been of satisfactory quality when it was supplied to Mr E, but I consider that the repairs were an appropriate remedy for those faults. When he complained to Jaguar Financial Services in October 2024, Mr E said that he wanted to reject the car but I don't consider that Jaguar Financial Services was required to accept his rejection of the car at that time.

Mr E says that there were times when he didn't have the use of the car while it was being repaired. In its final response letter to him, Jaguar Financial Services said that if he'd not been provided with a like for like courtesy car as a result of the faults on the car he should provide it with the dates so that it could calculate the loss of enjoyment. I've seen no evidence to show that Mr E has provided any further information to Jaguar Financial Services about times that he wasn't provided with a courtesy car. Mr E also says that the courtesy car didn't fit on his drive and he found it hard to drive, but I consider that it was fair and reasonable that he was given a courtesy car and that Jaguar Financial Services said that it would calculate any loss of enjoyment if he provided it with further information. I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Jaguar Financial Services to refund to Mr E any of the monthly payments that he made under the hire purchase agreement.

Mr E has described the difficulties that he faced and the reasons that he decided to settle the hire purchase agreement, sell the car and buy a used car. He says that his total loss is approximately £37,600. I appreciate that this was a difficult situation for him and I can understand that he'd lost confidence in the car, but I'm not persuaded that he's provided enough evidence to show that there continued to be faults with the car after it had been repaired. It was Mr E's decision to settle the hire purchase agreement and sell the car and I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Jaguar Financial Services to compensate him for the loss that he says that he incurred.

Mr E bought a used car and he's provided a copy of the invoice which shows that the price of the car was £26,699. He bought that car so he has an asset that he can use that cost him £26,699 and I don't consider that it would be fair or reasonable for Jaguar Financial Services to reimburse him for any of that purchase price.

Jaguar Financial Services says that, whilst it fully empathises with Mr E's situation and understands the upset that he'd been caused, it feels that it has arrived at the correct

decision. The investigator said that Mr E had made it clear that he'd lost complete faith in the car and it was affecting his physical and mental health so Jaguar Financial Services should have gone through Mr E's options to look into potentially handing back or swapping the car or to have given him additional support whilst he was going through a difficult time.

Jaguar Financial Services' final response letter was sent to Mr E in December 2024. He contacted it about difficulties that he was having in opening that letter and it provided him with a settlement quote ten days after the date of its final response letter. Mr E had told Jaguar Financial Services about his medical issues and said that he'd lost all confidence in the car. It was aware of the faults with the car and I consider that it would be reasonable to expect it to have done more to assist Mr E at that time by, for example, explaining to him the options that were available to him under the hire purchase agreement.

Jaguar Financial Services said that it planned to make a payment of £300 to Mr E for the distress and inconvenience caused by the faults with the car and the number of times it had been seen by the manufacturer's roadside assistance service. The investigator recommended that it should pay a further £100 to Mr E for the distress and inconvenience that he'd been caused. I agree with the investigator that it would be fair and reasonable for Jaguar Financial Services to pay a further £100 to Mr E to compensate him for the distress and inconvenience that he's been caused as a result of it not doing more than it did to assist him.

Mr E has also complained about the way that Jaguar Financial Services has dealt with his complaint. Complaint handling isn't a regulated activity and the rules under which this service operates don't allow me to consider a complaint about complaint handling, so I'm unable to make any findings on the way that Jaguar Financial Services dealt with Mr E's complaint.

Putting things right

I find that it would be fair and reasonable in these circumstances for Jaguar Financial Services to pay a further £100 to Mr E to compensate him for the distress and inconvenience that he was caused as a result of it not doing more than it did to assist him. The investigator said that Jaguar Financial Services should remove any adverse information from Mr E's credit file in relation to the agreement. I've seen no evidence to show that Jaguar Financial Services has reported any adverse information about the hire purchase agreement to the credit reference agencies but, if it has done so, I consider that that information should be removed from Mr E's credit file. I don't consider that it would be fair or reasonable for me to require Jaguar Financial Services to refund or reimburse Mr E for any of the payments that he's made or to take any other action in response to his complaint.

My final decision

My decision is that I uphold Mr E's complaint and order Black Horse Limited, trading as Jaguar Financial Services, to:

1. Pay a further £100 to Mr E to compensate him for the distress and inconvenience that he's been caused.
2. Ensure that any adverse information about the hire purchase agreement that it's reported to the credit reference agencies is removed from Mr E's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 23 October 2025.

Jarrod Hastings
Ombudsman