

The complaint

Mrs J is unhappy that a car supplied to her under a hire purchase agreement with Black Horse Limited was of an unsatisfactory quality.

Mrs J has been represented during the claim and complaint process by Mr D. For ease of reference, I will refer to any comments made, or any action taken, by either Mrs J or Mr D as “Mrs J” throughout the decision.

What happened

In November 2022, Mrs J was supplied with a used car through a hire purchase agreement with Black Horse. She paid an advance payment of £1,500 and the agreement was for £16,600 over 60 months; with monthly payments of £348.45. At the time of supply, the car was around three and a half years old and had done 47,235 miles (according to the agreement).

The car broke down in November 2024, when it had done 74,593 miles – around 27,300 miles after it had been supplied to Mrs J. The car was inspected by a manufacturer’s garage who said the engine had failed due to contaminated oil as a result of warped engine components. This wasn’t covered by the warranty as the car hadn’t been serviced in line with the manufacturer’s guidelines, and there were non-genuine parts (a thermostat) fitted.

Mrs J complained to Black Horse on 10 February 2025, but they didn’t uphold her complaint. So, she brought the matter to the Financial Ombudsman Service for investigation. In doing so, she also raised the issue that the car had been misrepresented at the point of supply.

Our investigator said there was no evidence the engine failed as a result of a fault that was present or developing at the point of supply. Nor was there any evidence the non-genuine thermostat was either fitted before the car was supplied or was the cause of the engine failure. As such, they didn’t think Black Horse needed to do anything more.

Mrs J didn’t agree with the investigator. She said that the matter of misrepresentation was raised with ourselves from the outset. So, she felt that misrepresentation should be considered as part of this investigation. Mrs J also said that the non-genuine thermostat was fitted before the car was supplied to her, which has meant the warranty was invalid.

Because Mrs J didn’t agree, this matter has been 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’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. Mrs J 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.

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. So, if I thought the car was faulty when Mrs J took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Black Horse to put this right.

Before I explain why I've reached my decision, it would be useful for me to set out exactly what I've been able to consider within it. In line with the rules our service works within, we are only able to consider complaints that have been raised with a financial business, with them having been given an opportunity to respond within their complaint process.

While Mrs J has raised the issue of misrepresentation with us, Black Horse have said this wasn't raised with them or covered by their final complaint response letter dated 27 February 2025. And, from what I've seen, this wasn't raised with Black Horse until after the final complaint response was sent.

What's more, Black Horse have said they want the opportunity to consider this themselves, before we get involved, which is their right. And they didn't give us permission to consider misrepresentation as part of this complaint. As such, I haven't considered misrepresentation as part of my decision.

So, I've turned to what I can consider.

In this instance, it's not disputed that there is an issue with the car supplied to Mrs J. However, as the engine overheated more than six months after the car was supplied to her, the CRA implies that it's for Mrs J to show the fault that caused the overheating was present or developing when the car was supplied to her.

Mrs J has referred to an email from a dealership dated 12 February 2025, which confirmed that a non-manufacturer approved thermostat had been fitted to the car. This email stated *"we suspect that the vehicle overheated at some point causing damage to the engine, and it was just too late to replace the thermostat ... this is only a hypothesis."*

Mrs J has said that, because the servicing history since she was supplied with the car shows that the thermostat wasn't replaced, the non-genuine thermostat was present when the car was supplied to her. As I've seen nothing to the contrary, I'm inclined to agree with Mrs J on this point, and that it's more likely than not that the non-genuine thermostat was fitted to the car before supply.

However, I've also seen the inspection report following the breakdown. This is dated 10 January 2025, and says:

"the vehicle has been recovered into dealer with a complaint of engine overheats and coolant warning on also vehicle shudders. I can confirm expansion reservoir is pressurised even when engine is run for a few seconds. I have carried out a compression test and cylinders 2 and 3 look to be down. I have carried out cylinder leakage and can hear loss coming up through the coolant expansion tank. Customer has said vehicle overheats and shakes. With an endoscope in the cylinder bores you can see coolant/water running down the cylinder bores."

While the fact that a non-genuine thermostat would've been obvious during such an inspection of the coolant system, the inspector doesn't mention this, nor do they indicate that the overheating was as a result of a thermostat failure. What's more, as I haven't seen anything else that shows me the failure of the car was caused by a non-genuine thermostat being fitted, I'm satisfied it's more likely than not that the thermostat wasn't the cause.

Mrs J has also referred to the warranty and the servicing, specifically mentioning that the warranty wouldn't pay for the repairs to the engine due to the thermostat. And she's said that the thermostat wasn't picked up in the pre-delivery inspection.

I've looked at the terms of the warranty, and I've noted that it required the car to be serviced "at least once at the sooner of every 12,000 miles or every [year]." The terms and conditions of the agreement also require the car to be serviced in line with the manufacturers and warranty requirements. The manufacturer's guidelines are also for the car to be serviced every 12-months or 12,000 miles, with the services alternating between a minor service and a major service.

The car had a minor service on 24 January 2022, at 43,140 miles and before it was supplied to Mrs J. This meant that a major service was required by 24 January 2023 or 55,140 miles, whichever was sooner. The car was supplied to Mrs J in November 2022 at 47,235 miles, so the warranty required a service to take place at the sooner of 12-months from supply or 59,235 miles.

Mrs J had the car serviced on 22 June 2023 at 52,603 miles. This was outside the manufacturer's guidelines for a major service. She had the car serviced again on 16 July 2024 at 67,950 miles, which exceeded both the manufacturers and warranty guidelines for both time and mileage. As such, I'm satisfied that Mrs J failed to service the car as required. This means that, even if it wasn't for the thermostat, Mrs J had still breached the terms of then warranty. So, I can't agree with her that being supplied with a car with a non-genuine thermostat was the sole reason the warranty company wouldn't repair the car.

What's more, I haven't seen anything to show me that the warranty was financed through Black Horse. So, even when considering section 56 of the Consumer Credit Act 1974, Black Horse aren't liable for any misrepresentation of the warranty that may have occurred.

So, given the above, and while I appreciate this will come as a disappointment to Mrs J, I haven't seen anything to show me the fault with the engine was because of the car not being of a satisfactory quality when it was supplied to her. And I won't be asking Black Horse to do anything more.

My final decision

For the reasons explained, I don't uphold Mrs J's complaint about Black Horse Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 15 December 2025.

Andrew Burford
Ombudsman