

The complaint

Mr G complains about the quality of a car that was supplied through a hire purchase agreement with Black Horse Limited (BHL).

What happened

In June 2024, Mr G entered into a hire purchase agreement with BHL to acquire a used car. The car was just under six years old and had travelled 67,964 miles when it was supplied. The cash price of the car was £10,100. A deposit of £250 is listed, so the total amount financed on the agreement was £9,850 payable over 60 monthly repayments of £213.40.

Mr G complained that since he had the car it's been back to the dealership for repairs which haven't fixed the issues. He said the car was with the dealership for around two months. Mr G said the issues included a faulty stop start function, a jamming handbrake, and an oil warning light. Mr G said when he received the car it came with interior and exterior scuffs and scratches, a chipped windscreen and rust.

Mr G said the communication from the dealership has been poor and has led to increased stress and exacerbated his medical conditions. Mr G would like a full refund of all the payments he's made.

In March 2025, BHL issued their final response to the complaint which they upheld. In summary, it said they would end the agreement and arrange for a refund of all the repayments Mr G made towards the agreement less a charge for fair usage. They also arranged to pay Mr G £250 in compensation for the distress and inconvenience caused. The total offer was £420.88.

In April 2025, BHL issued a further final response with a revised offer of £676.75 which incorporated:

- loss of enjoyment from inception to 6 September 2024 L
- loss of use from 6 September to 14 September 2024 L
- loss of enjoyment from 19 November 2024 to 27 February 2025 L

Unhappy with their decision, Mr G brought his complaint to our service where it was passed to an Investigator to look into. Mr G says the amount BHL refunded to him was inadequate. Mr G said he received a refund of £676 but believes he is still owed £815 as that would amount to the total he's paid towards the agreement.

In their file submission, BHL confirmed that Mr G accepted their offer, and they paid it to him in March 2025. They also advised the dealership had already returned his deposit to him.

In July 2025, the Investigator issued their assessment on the complaint. In summary, the Investigator concluded that the offer made by BHL was fair and reasonable.

Mr G didn't accept the Investigator's assessment as he believed he should receive a higher amount of redress. He said the situation has left him without a car and he's having to borrow one from family. Mr G didn't think the compensation amount fairly reflected the stress that was caused to him. However, as the Investigators opinion remained unchanged, Mr G asked that his complaint be referred to an ombudsman 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, Mr G acquired a used car which had covered nearly 67,000 miles and which cost around £10,000. So, I think a reasonable person would not have the same expectation of quality in comparison to a newer model, which had less mileage. But I still think they would expect the car to be free from any major defects and would expect trouble free motoring for both some time and distance.

Mr G reported a number of faults with the car and provided images to confirm it. In their final response, BHL said they'd looked into all the information about the complaint and agreed with what Mr G had raised. So, I'm satisfied the car had faults as described by Mr G.

BHL upheld Mr G 's complaint and facilitated a rejection of the car, so I don't think the quality of the car is in dispute here. Both parties are in agreement that the vehicle wasn't of satisfactory quality when it was supplied to Mr G. And having considered the information provided, I'm satisfied this is the case.

However, what appears to be in dispute is the offer BHL made to resolve Mr G's complaint. In their final response dated in April 2025, BHL said they would reject the car and make a payment of £676 to Mr G which would include payments for loss of use, loss of enjoyment and a refund for when he was unable to use the vehicle. However, Mr G said he believed he should receive all the money he's paid towards the agreement and an increase in the compensation for the distress caused to him

Having considered all the information provided, I'm satisfied that BHL have acted fairly in how they decided to resolve Mr G's complaint.

Under the CRA, if goods are not of satisfactory quality they do not conform to the contract. Section 19 of the CRA sets out certain remedies available to the consumer for goods that do not conform, which includes the final right to reject the goods.

So, I'm satisfied BHL were acting fairly in assisting Mr G in rejecting the car, having concluded they were not of satisfactory quality.

However, the CRA also says: *"If the consumer exercises the final right to reject, any refund to the consumer may be reduced by a deduction for use, to take account of the use the consumer has had of the goods in the period since they were delivered..."*

This means it's reasonable that BHL make a fair deduction for the usage Mr G had of the car. In their final response BHL confirmed they made a full refund of the monthly payments for the time Mr G didn't have use of the car and made a percentage refund for the loss of enjoyment for when he did have use of a vehicle. They also confirmed the dealership had refunded Mr G's deposit.

Mr G hasn't provided any further evidence to suggest that the calculations BHL used were incorrect, for example, with incorrect dates for loss of use. So, I'm satisfied the payments made by BHL were fair in the circumstances.

Mr G also described the impact the situation has had on him and the stress it caused. BHL paid Mr G £250 in compensation to recognise this, and in the circumstances, I'm satisfied that this was a fair reflection of the inconvenience and distress Mr G was caused.

So, all things considered, from the information provided, I'm satisfied that BHL's resolution to Mr G's complaint is fair and reasonable in the circumstances.

As I've concluded that BHL have acted fairly in the circumstances, I won't be asking them to take any further action in relation to this complaint.

My final decision

My final decision is that I don't uphold Mr G's complaint about Black Horse Limited.

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

Benjamin John
Ombudsman