

## The complaint

Mr M is unhappy that a van supplied to him under a hire purchase agreement with Black Horse Limited was misrepresented at the point of supply.

## What happened

In March 2024, Mr M was supplied with a used van through a hire purchase agreement with Black Horse. He paid a £2,799.80 deposit and the agreement was for £13,999 over 60 months, with monthly payments of £293.85. At the time of supply, the van was around four and a half years old and had done 49,780 miles (according to the agreement).

The van had been originally advertised as having done 49,000 miles, and when Mr M was supplied with the van, the odometer roughly matched the mileage information that had been provided. Around a year later, Mr M checked the Gov.uk website to check the exact date the next MOT was due. In doing so he noticed that, although the mileage recorded for the MOT on 21 March 2024 (just before the van was supplied to him) was 49,831 miles; the mileage for the MOT record for 27 September 2022 (the previous MOT) was 64,778 miles.

Mr M was unhappy with the mileage discrepancy, and felt that, had this been explained to him from the outset, he would never have financed the van. So, he complained to Black Horse. Black Horse didn't uphold the complaint. They said the mileage on the odometer when the van was supplied to Mr M matched with that of the advert and latest MOT. They also felt the mileage on the MOT record for September 2022 was an admin error – this had been entered in kilometres not miles (64,778km is around 40,250 miles).

Unhappy with this response, Mr M brought the matter to the Financial Ombudsman Service for investigation.

Our investigator didn't think the van had been misrepresented to Mr M. They said the van was supplied with a mileage that matched the most current records, and the September 2022 mileage was likely an admin error. They also said that the supplying dealership had done an HPI check that didn't show any mileage discrepancy, and it wasn't reasonable to expect the dealership to have checked the MOT record for any mileage discrepancy at the point the van was advertised for sale.

Mr M didn't agree with the investigator's opinion. He provided extensive comments as to why, supported by evidence that included emails from the HPI company and previous decisions issued by the Financial Ombudsman Service for customers in the same situation as he had found himself.

I issued a provisional decision on 4 September 2025, where I explained my intention to uphold the complaint. In that decision I said:

*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. Mr M was supplied with a van under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.*

*When considering this matter, I've taken into consideration section 56 of the Consumer Credit Act 1974. This states that any negotiations conducted by the credit broker or supplier of goods are deemed to be conducted in the capacity of an agent of the creditor, and that this includes all communications (including the advert) and representations made. This means that, in this case, any discussions, communication, or representations made by the supplying dealership in respect of the mileage were done so as an agent of Black Horse, for which Black Horse remain liable.*

*This is also a complaint about misrepresentation. For misrepresentation to be present there must (a) have been a false statement of fact, and (b) that false statement of fact must have induced, in this instance, Mr M to have financed this particular van with Black Horse.*

*In this instance, the MOT record is clear that there's a mileage discrepancy. While it's been suggested that this was due to an admin error by the MOT testing station in September 2022, this doesn't alter the fact that this discrepancy exists and remains.*

*I've seen the dealership's advert, and it states the van was being sold with a mileage of 49,000 miles. The MOT completed by the dealership just before the van was supplied to Mr M recorded a mileage of 49,831 miles. While there is a clear discrepancy with these two mileage figures, I don't consider that to be misrepresentation itself, as any reasonable person would expect an advert mileage to be rounded, and for the actual mileage to differ slightly – within 1,000 miles is within what a reasonable person would expect.*

*As part of his evidence, Mr M has provided an advert for a completely different vehicle with the same company the dealership advertised the van through. This advert clearly states the vehicle had a "mileage discrepancy" and he says that this warning should have been on the dealership's advert. I'm in agreement with this – but only if it was reasonable for the dealership to be aware of the mileage discrepancy on the MOT record. And I think it was, for the reasons I will now explain.*

*I've seen a copy of the HPI check done by the dealership, which states "no mileage discrepancy is currently indicated by the national mileage register." Mr M has provided an email from the HPI company that says they don't share MOT data with traders, only customers. They also said "as part of Traders due diligence, they should be already checking the DVSA website for MOT's, so there [sic] can compare mileages with this service history."*

*What's more, an MOT certificate, in addition to confirming the mileage at the time of the test also details the date of the last three MOT tests and the recorded mileage at the time of each of those tests. Given that the MOT at the point of supply was carried out on behalf of the dealership, I'm satisfied that, not only should the dealership have checked the public MOT record as part of their due diligence, they were in possession of a document that clearly stated there was a discrepancy between the mileage record of the current and previous MOT tests.*

*I'm therefore satisfied that the dealership should reasonably have been aware of the mileage discrepancy. And in knowing this they should either have arranged for any admin errors to be rectified or advised Mr M of the mileage discrepancy before the van was supplied to him.*

*Given this, I'm satisfied there was a false statement of fact by omission – the dealership failed to advise Mr M of something they were reasonably aware of. By his actions since becoming aware of the mileage discrepancy, I'm also satisfied that Mr M wouldn't have accepted the van while any discrepancy remained on the mileage record. As such, the threshold for misrepresentation has been reached, and Black Horse need to do something to put things right.*

*Where there has been a misrepresentation, our usual approach is to allow the customer to reject the vehicle. And I see no reason why I shouldn't adopt this approach here. So, I intend to direct Black Horse to allow Mr M to reject the van, and they should refund his deposit plus statutory interest.*

*However, Mr M has been able to use the van while it's been in his possession, so I think it's only fair that he pays for this usage. As such, I won't be asking Black Horse to refund any of the payments he's made. But I do think they should reimburse him the £29.97 he paid for the HPI check he had done on 21 March 2025 – this wouldn't have been necessary had the mileage discrepancy been declared at the outset.*

*Finally, I think Mr M should be compensated for the distress and inconvenience he's been caused by what's happened. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.*

*Having considered matters, I think that Black Horse should pay Mr M an additional £150 compensation. I think this is significant enough to recognise the worry and upset Mr M has had with driving around in a vehicle he believed may have done substantially more mileage than it may otherwise have done, and the concerns this would bring i.e. that parts may start failing sooner than otherwise expected, or major services are needed sooner, with all the costs implications of this.*

*Therefore, I intend to ask Black Horse to:*

- end the agreement, ensuring Mr M is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);*
- collect the van at no collection cost to Mr M;*
- remove any adverse entries relating to this agreement from Mr M's credit file;*
- refund the deposit Mr M paid (if any part of this deposit is made up of funds paid through a dealer contribution, Black Horse is entitled to retain that proportion of the deposit);*
- refund the £29.97 HPI payment Mr M paid on 21 March 2025;*
- apply 8% simple yearly interest on the refunds, calculated from the date Mr M made the payments to the date of the refund<sup>†</sup>; and*
- pay Mr M an additional £150 to compensate him for the trouble and inconvenience caused by being supplied with a van that had been misrepresented (Black Horse must pay this compensation within 28 days of the date on which we tell them Mr M accepts my final decision. If they pay later than this date, Black Horse must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).*

*<sup>†</sup>If HM Revenue & Customs requires Black Horse to take off tax from this interest, Black Horse must give Mr M a certificate showing how much tax they've taken off if he asks for one.*

## Responses

Black Horse accepted my provisional decision without further comment.

While Mr M generally accepted my provisional decision, he thought that he was paying a higher monthly payment for the van than he otherwise would have if the mileage had been correct – he said there was a 36% difference between the cost of a van that had done 45,000 to 50,000 miles, compared with a van that had done 70,000 to 80,000 miles. So, he thought it was only fair that he should be refunded 36% of the payments he'd made.

Mr M also said that, because there was a discrepancy with the mileage, he chose to have the wet cam belt replaced at a cost of £534.38, something he wouldn't have done had the mileage record been accurate. He also said he needed the AdBlue tank repairing, at a cost of £263, which was also something that was linked to "*the vehicle's true higher mileage.*" As such, he thought these costs should be reimbursed to him.

Finally, Mr M didn't believe the £150 compensation was sufficient for the "*in excess of 30 hours*" he spent fighting his case, which caused disruption to his work and personal life. So, he thought this amount should be increased.

## 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 considered Mr M's comments, along with the additional evidence he's supplied – an invoice dated 24 June 2025 for a timing belt replacement, a major service, an air-conditioning regas, and the replacement of worn brake pads and discs. The mileage recorded on this invoice is 67,451 miles, so the van had done around 18,000 miles since it was supplied to Mr M some 15-months earlier. But crucially, this invoice makes no further reference to the mileage i.e., it doesn't say that the van has done a substantially higher mileage than what the odometer suggests.

I've also seen that the van passed an MOT on 11 March 2025, at a recorded mileage of 62,749 miles.

Mr M's comments, and his request for a part-reimbursement of payments, are based on his belief that the van has done a higher mileage than the odometer shows. However, while there is clearly a mileage discrepancy on the MOT record, I've seen nothing to show me that this wasn't an admin error, and the van has done more miles than the odometer shows.

While Mr M says the AdBlue tank needed repairs, which he says is indicative of a higher mileage, neither the invoice he's supplied nor the latest MOT record make any reference to an issue with the AdBlue tank.

Mr M has also said he replaced the wet belt sooner than he would otherwise have had to, due to the higher mileage on the van. However, the recommended interval for replacing a wet belt on the make and model of van supplied to Mr B is between 60,000 and 75,000 miles – he had this replaced when the odometer was showing 67,000 miles. So, while this was a proactive choice, I'm satisfied that the wet belt was replaced within the mileage window that a replacement would normally be expected.

Given the above, I won't be asking Black Horse to reimburse Mr M for any costs he's incurred in maintaining the van while it was in his possession – he was obliged to do this under the terms of the agreement. What's more, as I can't be satisfied there wasn't an admin

error, I'm unable to say that Mr M paid 36% more for the van than he otherwise should have. As such, I also won't be asking Black Horse to reimburse any of the payments he made.

Finally, Mr M has referred to the time he's spent in 'fighting his case' with Black Horse. However, we don't award compensation based on a customer's hourly rate – as I explained in my provisional decision, any compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

It's clear that Mr M was impacted by this, and has had to raise a complaint with both Black Horse and ourselves. But he's been able to have full use of the van and has driven it for more than 18,000 miles. The work he's had done was expected maintenance based on what the odometer showed, so has not been an additional impact. As such, I'm satisfied my original recommendation is reasonable in the circumstances, and I won't be asking Black Horse to increase it.

So, given the above, I see no compelling reason why I should not now adopt my provisional decision as my final decision. And Black Horse now need to do something to put things right.

### **Putting things right**

For the reasons given in my provisional decision and above, Black Horse should:

- end the agreement, ensuring Mr M is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the van at no collection cost to Mr M;
- remove any adverse entries relating to this agreement from Mr M's credit file;
- refund the deposit Mr M paid (if any part of this deposit is made up of funds paid through a dealer contribution, Black Horse is entitled to retain that proportion of the deposit);
- refund the £29.97 HPI payment Mr M paid on 21 March 2025;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr M made the payments to the date of the refund<sup>†</sup>; and
- pay Mr M an additional £150 to compensate him for the trouble and inconvenience caused by being supplied with a van that had been misrepresented (Black Horse must pay this compensation within 28 days of the date on which we tell them Mr M accepts my final decision. If they pay later than this date, Black Horse must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires Black Horse to take off tax from this interest, Black Horse must give Mr M a certificate showing how much tax they've taken off if he asks for one.

### **My final decision**

For the reasons explained, I uphold Mr M's complaint about Black Horse Limited. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 October 2025.

Andrew Burford

**Ombudsman**