

The complaint

Mr P complains that Black Horse Limited provided him with an unaffordable regulated hire purchase agreement.

Mr P is represented by a claims management company, but for ease I've referred to all submissions as though they are his own.

What happened

In December 2018 Black Horse provided Mr P with a hire purchase agreement for a car with a cash price of £11,850. Mr P paid a deposit of around £1,250 and received finance of around £10,600. This agreement had a term of 48 months with 47 instalments of around £210 and one final balloon payment of around £3,620. The agreement had a total repayable value, including the deposit, interest and fees, of around £14,620.

Mr P complained to Black Horse in October 2024 about unaffordable lending. He said that had it completed proportionate checks it would have identified this credit agreement wasn't affordable for him. Mr P says Black Horse made an unfair lending decision when providing him with this hire purchase agreement.

Black Horse issued a final response in January 2025 in which it didn't uphold Mr P's complaint. Unhappy with its response Mr P referred his complaint to our service.

One of our investigators reviewed the details of Mr P's complaint and didn't uphold it. They felt Black Horse's checks were proportionate to the terms of lending being provided, and that it had gone on to make a fair lending decision when providing this credit agreement.

Black Horse didn't respond to our investigator's view; Mr P responded and disagreed. In summary, he maintained his position that proportionate checks hadn't been completed, and that more detailed checks would have shown the agreement wasn't affordable for him. He therefore says Black Horse made an unfair lending decision.

Mr P asked for an ombudsman's review, so the complaint 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.

The information in this case is well known to Mr P and Black Horse, so I don't intend to repeat it in detail here. Instead, I've focused my decision on what I consider to be the key points of this complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me, including the submissions after our investigator's view. I don't mean to be discourteous to Mr P or Black Horse by taking this approach, but this simply reflects the informal nature of our service.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website; and both Mr P and Black Horse have been made aware of this approach within our investigator's view. I've taken this approach into account in deciding this complaint.

Having considered everything, I'm not upholding Mr P's complaint as I've decided this hire purchase credit agreement was provided fairly. I say this because:

- I think the checks Black Horse completed before providing this credit agreement were reasonable and proportionate, given the terms of credit it was providing and what it knew about Mr P's financial situation from the checks it had completed.
- Black Horse's checks validated Mr P's monthly income to be around £1,000. Mr P declared he was living with parents and Black Horse used industry recognised statistical data to reasonably assess his non-discretionary expenditure to be around £150 per month.
- Black Horse completed a credit check which showed Mr P had a relatively modest outstanding balance totalling around £3,400. The credit checks showed Mr P had been managing his existing credit well – there were no insolvency, CCJs, defaults or missed payments reported in the recent and historic past.
- Based on the information Black Horse obtained and what it identified about Mr P's circumstances, I consider it could be reasonably satisfied the information was representative of Mr P's financial circumstances. Black Horse could therefore be satisfied Mr P had a reasonable level of disposable income each month to repay this lending, as well as associated costs with owning a car, and other living expenses. I've seen nothing to suggest Mr P was likely to be unable to sustainably repay this credit agreement.
- I don't think Black Horse acted unfairly or unreasonably in any other way. Mr P made some payments late, however he told Black Horse this was due to a change in his personal circumstances, rather than financial difficulties. Black Horse provided forbearance measures, including agreeing to a payment arrangement, and missed payments were always caught up within a short period of time.
- Mr P didn't make Black Horse aware of any affordability concerns during the agreement, which was ultimately settled early in June 2020.

This means I don't think Black Horse did anything wrong when it provided Mr P with this hire purchase agreement in December 2018.

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

I acknowledge my decision here will likely be disappointing to Mr P. But for the reasons above, I'm not directing Black Horse to take any further action in resolution of this complaint.

My final decision

My final decision is that I'm not upholding Mr P's complaint about Black Horse Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 December 2025.

Richard Turner
Ombudsman