

The complaint

Mrs H says Black Horse Limited (Black Horse) misrepresented a finance agreement to her.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs H took receipt of a car in March 2022. She financed the deal through a Personal Contract Purchase (PCP) agreement with Black Horse. When the agreement was coming to an end she says she was misinformed about the return of equity that was in the vehicle and that if she'd been better informed she would have kept the car and sold it herself to retain that equity.

Black Horse apologised for not providing better information in a call Mrs H had with them before the car was collected. They offered her £250 in compensation and when Mrs H referred her complaint to this service, our investigator thought that was reasonable.

Mrs H remained dissatisfied and she asked for a decision by an ombudsman.

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 agree with the investigator's view of this complaint and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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.

Mrs H acquired her car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

Misrepresentation is, in very broad terms, a statement of law or of fact, made by one party to a contract to the other, which is untrue, and which materially influenced the other party to enter into the contract.

Section 56 of the Consumer Credit Act (1974) explains that finance providers are liable for what they say and for what is said by a credit broker or a supplier before the consumer takes out the credit agreement.

So if Mrs H was told something that was untrue by the dealership or Black Horse, and if I

was persuaded it materially influenced her decision to enter into the finance agreement. I may think the finance agreement had been misrepresented to her and in those circumstances, I'd ask Black Horse to take some action to put things right.

Mrs H had a PCP agreement with Black Horse. That type of agreement doesn't allow for the consumer to receive any surplus if the car later sells for more than the Guaranteed Future Value (GFV). There was no reference to that possibility in the finance agreement or any documentation I've seen.

I've listened to the call Mrs H had with Black Horse the day before the car was collected. During that call, Mrs H explained she was returning the car the next day and that a collection had been arranged. She asked when she would get her equity back. That showed that she believed she was entitled to receive equity once the car was returned. However, the agent didn't confirm that belief or say that Mrs H would receive any money linked to the resale value of the car. He explained that any money due at the end of the agreement would be refunded within a couple of weeks. While that explanation was general, I don't think it was inaccurate or amounted to a representation that Mrs H would receive the proceeds of sale above the GFV.

I accept that once the subject of equity return was raised by Mrs H it would have been better if the agent had clearly explained that wasn't an entitlement. I think that mistake caused Mrs H some distress and inconvenience and given the level of that I think £250 was fair compensation. But I'm not persuaded that there was a misrepresentation during the call.

Mrs H has also explained that the dealer told her she would get her equity back and so did the collection agent. I've no further evidence to corroborate Mrs H's assertion and I don't think it would be fair on that basis to decide there had been a misrepresentation.

I'm also not persuaded that anything said during the call caused Mrs H to act differently. By that point, she had already arranged to return the car. There's no evidence that she was considering an alternative course of action, such as settling the agreement herself, or that she relied on anything the agent said when deciding to proceed.

I understand that Mrs H is unhappy with the way Black Horse handled her complaint. Complaint handling in itself isn't a regulated activity. So I can't comment on how the complaint was handled, only the misrepresentation and the customer service around this, not the complaint handling process.

Overall, I'm not persuaded that Black Horse needs to take any further action.

My final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 9 January 2026.

Phillip McMahon
Ombudsman