

The complaint

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

What happened

In April 2022, Mrs M was supplied with a new motorhome through a hire purchase agreement with Black Horse. She paid an advance payment of £69,915 and the agreement was for £15,000 over 36 months; with an initial payment of £376.68, 46 payments of £376.08, and a final payment of £376.68. The purchase price included the fitting of an awning by the supplying dealership.

The awning wasn't suitable for the motorhome's profile and was fitted incorrectly. The incorrect fitting was noted on the habitation check that took place in March 2023, and the March 2024 habitation check confirmed the awning was misaligned and structurally unsound. The dealership attempted repair by elongating the mounting holes, which resulted in the side wall being crushed and introduced a risk of water ingress.

The motorhome was independently inspected in October 2024. This inspection confirmed that the awning wasn't in line with the roof line of the motorhome which, while it didn't affect the usage, was aesthetically displeasing. The inspection also confirmed that the attempted repair by the dealership was carried out incorrectly and *"not to a satisfactory industry standard."* So, the inspector recommended the removal and refitting of the awning.

In a letter dated 18 October 2024, Black Horse said the awning was of a satisfactory quality at the point of supply, as evidenced by the fact that it was still operational. They said the dealership maintained the awning was fitted correct at the outset, even though the habitation checks confirmed this wasn't the case. So, they didn't uphold Mrs M's complaint. However, Black Horse offered £941.67 as a gesture of goodwill due to the issues with the dealership in relation to the awning adjustments.

Unhappy with what had happened, Mrs M brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator said the habitation checks confirmed the awning was fitted incorrectly and attempts to rectify this have failed. What's more, other issues with the motorhome had been identified. So, the investigator said Black Horse needed to do something to put things right.

As the dealership had already had the single chance of repair allowed by the Consumer Rights Act 2015 ('CRA'), the investigator said Mrs M should now be allowed to reject the motorhome with a refund of the deposit she paid; along with a refund of payments for any periods the motorhome was being repaired and 10% of the remaining payments to reflect the impaired usage Mrs M had had. Finally, the investigator said that Black Horse should pay Mrs M a total of £1,200 compensation to reflect the significant distress and inconvenience she had suffered.

Black Horse didn't agree with the investigator's opinion. While they raised no objections to the recommendation that Mrs M should be allowed to reject the motorhome, they said that Mrs M would receive more compensation than she paid by way of a deposit. They also said that the motorhome had travelled an average of 2,643 miles a year, which was on par with the 3,000 to 5,000 miles the average UK motorhome travels. So, they thought Mrs M should pay for this usage.

Finally, they didn't think that Mrs M had suffered any impaired usage as the awning was working, and they didn't agree with £1,200 compensation. Instead, they said they should refund Mrs M the deposit plus interest from when she raised her complaint with them, and an additional £300 compensation only.

Mrs M also didn't agree with the investigator's opinion, as she didn't think the £1,200 was sufficient to reflect the full impact this situation has had on her.

Because neither party agreed, 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 M was supplied with a motorhome under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The CRA says, amongst other things, that the motorhome 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 motorhome was supplied, unless Black Horse can show otherwise. So, if I thought the motorhome was faulty when Mrs M took possession of it, and this made the motorhome not of a satisfactory quality, it'd be fair and reasonable to ask Black Horse to put this right.

In this instance, it's not disputed there was a problem with the awning on the motorhome, and both parties have accepted that Mrs M should be allowed the right of rejection, with a refund of the deposit she paid. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision. Instead, I'll focus on what I think Black Horse should do to put things right.

Putting things right

Mrs M has been able to use the motorhome while it was in her possession, and I think it's only fair that she pays for this usage. As Black Horse have pointed out, the average UK motorhome travels between 3,000 and 5,000 miles a year, while Mrs M only travelled an average of 2,643 miles a year. While they consider this to be 'on par' with the average usage, I don't – Mrs M travelled less than the lower point of what would be considered average, and around half of what the higher point of what would be considered average.

In her comments, Mrs M has made it clear that this was due to the issue with the awning. So, while I'm satisfied that Black Horse should be able to keep the payments Mrs M made to account for the usage she had, I'm also satisfied they should refund 10% of those payments to reflect that Mrs M's usage and enjoyment of the motorhome has been impaired.

The investigator has also said that Mrs M should be refunded the payments she made while the motorhome was unable to be used during repairs. While I agree with this, I haven't seen anything to show me that the repairs needed to take place at a point Mrs M was planning to use the motorhome. As such, it's reasonable for me to conclude that the repairs took place when the motorhome was not being used i.e., this had no impact on Mrs M's planned usage.

Therefore, in this instance, no actual payment refunds are needed for when the motorhome was being repaired.

When we say that a vehicle should be rejected, we also say that the deposit should be refunded. Neither party have disagreed with this point, but Black Horse have disagreed that interest should be paid on this refund from when the deposit was paid, instead saying it should only be paid from July 2024 – when Mrs M raised her complaint. However, in their response to this complaint, Black Horse acknowledge and accept that Mrs M first raised her complaint about the awning on the day the motorhome was supplied to her.

While this complaint was raised with the supplying dealership, the dealership were acting as an agent of Black Horse. And section 56 of the Consumer Credit Act 1974 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 and representations made. This means that, in this case, the dealership fitting the awning and then representing to Mrs M that this had been fitted correctly (which the subsequent habitation checks have confirmed it wasn't) was done so as an agent of Black Horse, for which Black Horse remain liable.

As such, I see no compelling reason to reduce the time period in which the interest on the deposit is calculated.

Finally, I think that Mrs M should be compensated for the distress and inconvenience she'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. What's more, while Mrs M has referred to the impact this situation had had on her family, as the agreement is in her sole name, I can only consider any direct impact on her.

The investigator recommended Black Horse pay Mrs M a total of £1,200 to recognise the distress and inconvenience caused by the complaint. This included the offered £941.67 as a gesture of goodwill made by Black Horse, which both parties agree hasn't been paid. Having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I say this because Mrs M's correspondence with the dealership shows her ongoing frustration with the situation. She's explained how it was her dream to own a motorhome, with all her life savings going into the deposit, and she says the awning situation has turned this into a "*living nightmare*." Mrs M also provided the dealership with evidence of the same make and model of motorhome with correctly fitted awnings and explained it was a 14-hour round trip every time she had to visit the dealership. So, because of the situation she's lost all love of the motorhome but was unable to sell it as no buyer would take it due to the incorrectly fitted awning. So, this is a payment I'm directing Black Horse to make

Therefore, Black Horse should:

- end the agreement, ensuring Mrs M is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the motorhome at no collection cost to Mrs M;
- remove any adverse entries relating to this agreement from Mrs M's credit file;
- refund the deposit Mrs 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 10% of all payments made to reflect the impaired usage Mrs M has had;
- apply 8% simple yearly interest on the refunds, calculated from the date Mrs M made the payments to the date of the refund[†]; and
- pay Mrs M a total of £1,200 to compensate her for the trouble and inconvenience caused by being supplied with a motorhome that wasn't of a satisfactory quality (Black Horse must pay this compensation within 28 days of the date on which we tell them Mrs 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[†]).

[†]If HM Revenue & Customs requires Black Horse to take off tax from this interest, Black Horse must give Mrs M a certificate showing how much tax they've taken off if she asks for one.

My final decision

For the reasons explained, I uphold Mrs 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 Mrs M to accept or reject my decision before 19 January 2026.

Andrew Burford
Ombudsman