

The complaint

Mr B complains that a motorhome that was supplied to him under a hire purchase agreement with Black Horse Limited wasn't of satisfactory quality.

What happened

A new motorhome was supplied to Mr B under a hire purchase agreement with Black Horse in May 2024. The price of the motorhome was £74,300, Mr B paid a deposit of £15,237 and he agreed to make 120 monthly payments of £734.08 to Black Horse. Mr B complained to Black Horse about issues with the motorhome in October 2024 and it paid him £549.10 compensation. Mr B says that there were further issues with the motorhome and he'd lost all confidence in it, so he traded it in with the dealer at a cost to him of £14,300.

Mr B complained to this service about the issues with the motorhome. His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Black Horse had acted fairly. She said that the motorhome wasn't of satisfactory quality and she recommended that Black Horse should: refund Mr B's deposit of £15,237, less the residual value of £3,427.72 which he received when he part exchanged the motorhome for another one; refund rentals for the period from 11 October 2024 to 7 February 2025 to cover any loss of use, or impaired use; pay interest on all refunded amounts; and remove any adverse information from Mr B's credit file in relation to the agreement.

Black Horse didn't accept the investigator's recommendation and asked for Mr B's complaint to be referred to an ombudsman for a decision. It says, in summary and amongst other things, that: Mr B accepted and benefited from repairs and compensation; there's no evidence that the fault persisted after the repairs were completed in 2025; rejection isn't possible because the vehicle was repaired and returned to Mr B with him accepting that as a remedy and ownership was then transferred during the part-exchange, completing the agreement; Mr B agreed to the part-exchange value and any concerns about valuation or exchange terms fall under commercial negotiation, not statutory consumer rights.

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.

Black Horse, as the supplier of the motorhome, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr B. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the motorhome and the price that was paid for it. The motorhome that was supplied to Mr B was a new motorhome with a price of £74,300 and I consider that it was reasonable for him to expect that it would be free from even minor defects.

The motorhome broke down in June 2024 and the break down report says that the engine oil pressure was too low. The motorhome's mileage at that time was 1,010 miles. Mr B says that the issue recurred in October 2024 and the motorhome had to be recovered to a

manufacturer's dealer. Mr B says that he discussed rejection of the motorhome with the supplying dealer.

Black Horse says that it spoke with the manufacturer's dealer in January 2025 and it confirmed that a technician had found that oil wasn't going through the engine as expected and that it wasn't working as it should, so the engine was being replaced. Black Horse said that it had mechanical evidence of a confirmed fault and, if the repairs carried out weren't successful, Mr B should call it and it would work with the garage or dealer to get it sorted. It also paid £549.10 to Mr B.

Mr B has provided a detailed timeline of the issues with the motorhome and his dealings with the supplying dealer, the manufacturer's dealer and Black Horse. He says that the motorhome was returned to the supplying dealer in March 2025 for its annual service and he was advised that a crack in the bodyshell above the cab had been found and that it was likely that the motorhome would need to be returned to the factory for a rebuild which was likely to take five to six months to complete. He says that he'd lost all confidence in the motorhome and he'd already lost the use of it for five months, so he agreed to trade it in for another campervan, but he lost over £14,300 in depreciation.

The first issue with the motorhome's oil pressure occurred in June 2024, only about a month after the motorhome had been supplied to Mr B, and the fault recurred in October 2024 and a new engine was required. I don't consider that it's reasonable to expect a new motorhome that cost £74,300 to need to have its engine replaced after only five months of use. I consider that the engine issues caused the motorhome not to have been of satisfactory quality when it was supplied to Mr B and that Black Horse should have allowed Mr B to reject the motorhome when he complained to it in October 2024.

Mr B has traded in the motorhome and Black Horse has paid him £549.10 compensation. I've carefully considered all that Black Horse has said and provided about this complaint, including its responses to the investigator's recommendation, but I find that it would be fair and reasonable in these circumstances for Black Horse to take the actions recommended by the investigator, and which are described below, to put things right.

Putting things right

Mr B paid a deposit of £15,237 for the motorhome, but the trade-in value of £60,000 that he was given was £3,427.72 more than the settlement amount of £56,572.28. I find that it would be fair and reasonable for Black Horse to refund £11,809.28 to Mr B, with interest, which is the amount of the deposit less the £3,427.72.

Mr B wasn't able to use the motorhome from 11 October 2024, when it broke down, until 7 February 2025, when it was returned to him. Black Horse says that the ten week repair timeframe was considered when calculating the compensation for distress and inconvenience and, given the seasonal nature of motorhome use, the impact on usage was likely reduced. Mr B's monthly payment under the hire purchase agreement was £734.08 and the total compensation paid by Black Horse, which it says included compensation for loss of use during a ten week repair time frame was £300. The period from 11 October 2024 to 7 February 2025 is 17 weeks and I don't consider that the payment made to Mr B by Black Horse properly compensates him for his loss of use of the motorhome.

I find that it would be fair and reasonable for Black Horse to refund to Mr B the monthly payments that he made under the hire purchase agreement for that period as compensation for his loss of use of the motorhome, with interest. Black Horse has paid compensation of £549.10 to Mr B and I'm not persuaded that any further compensation for his distress and inconvenience and any other losses would be appropriate in these circumstances.

The investigator said that Black Horse should remove any adverse information from Mr B's credit file in relation to the agreement (if applicable). I've seen no evidence to show that Black Horse has reported any adverse information about the hire purchase agreement to the credit reference agencies but, if it has done, I agree that it should remove that information.

My final decision

My decision is that I uphold Mr B's complaint and order Black Horse Limited to:

1. Refund £11,809.28 to Mr B.
2. Refund to Mr B the monthly payments that he made under the hire purchase agreement for the period from 11 October 2024 to 7 February 2025.
3. Pay interest on the refunded amounts at an annual rate of 8% simple from the date of each payment to the date of settlement.
4. Ensure that any adverse information about the hire purchase agreement that it's reported to the credit reference agencies is removed from Mr B's credit file.

HM Revenue & Customs requires Black Horse to deduct tax from the interest payment referred to above. Black Horse must give Mr B a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 April 2026.

Jarrold Hastings
Ombudsman