

### **The complaint**

Mrs L is unhappy that a car supplied to her under a hire purchase agreement with Black Horse Limited trading as Land Rover Financial Services (Black Horse) was of an unsatisfactory quality.

### **What happened**

In June 2022 Mrs L was supplied with a new car through a hire purchase agreement with Black Horse. She paid an advance payment of £21,000 and the agreement was for £125,797 over 49 months; with 48 monthly payments of £978.35 and a final payment of £57,837. The agreement also included GAP insurance which added £22.50 to the monthly payments.

Mrs L said that the car first broke down within the first three months and needed a replacement engine after just two and a half years. She said it had been back to the supplying dealership on several occasions for repair, including following one occasion when the car started smoking with the whole family in it.

She said that she had relied on the warranty to pay for the various repairs but when the engine needed replaced she realised the car was not road safe or fit for purpose.

She wanted to reject the car as the warranty had expired, and her monthly payments refunded for the times it was being repaired.

Black Horse said that Mrs L contacted them in May 2025. She complained about a number of issues she'd experienced with the car. These included:

- Multiple faults on dashboard management system
- Gear selector snapping
- Camera display fault
- Spoiler on the boot installed incorrectly
- Leather on driver's seat cracking
- Cruise control stopped working
- Clicking noise when revving the engine
- Coolant flooding from the super charger into the cylinders
- Auxiliary radiator leaking
- Oil missing from front crankshaft area
- Front main oil seal leaking

- Engine replacement

They upheld her complaint about the gear selector release button snapping. But they didn't uphold the other issues as they didn't believe the faults were present or developing at the point of supply, or the fault couldn't be replicated.

Black Horse said that all repairs had been carried out under the manufacturer's warranty and the car was still with Mrs L. They said they believed she had accepted the repairs and therefore lost the right to reject the goods.

Mrs L was unhappy with this response, so she referred her complaint to our service for investigation. She said the courtesy cars provided were not a like for like replacement for the luxury vehicle she had been paying £1,000 a month for. She said she is now in negative equity as the manufacturer will not offer enough to settle the finance, because of the faults with the car. She said she wanted a fair and proportionate resolution that covered the time she could not use the car, and a resolution of the negative equity position.

Our investigator contacted Black Horse highlighting the number of issues Mrs L had with the car, especially the issue requiring the engine to be replaced after just 27,500 miles. Black Horse increased their offer of compensation for distress and inconvenience caused to £300.

Our investigator said it wasn't disputed that the car wasn't of a satisfactory quality when supplied. He said Mrs L had agreed to repairs so it wouldn't be reasonable to ask Black Horse to accept rejection of the car now.

He thought Black Horse had kept Mrs L mobile when the car was in for repairs, and the courtesy cars provided were reasonably similar to the car that was subject of this agreement. So he didn't think Black Horse needed to pay any more to compensate Mrs L for the time she didn't have the car.

He did think that Black Horse should pay Mrs L more for the distress and inconvenience caused to reflect the number of issues with the car, and the repairs it needed. He said that Black Horse should increase their award for distress and inconvenience to £500.

Mrs L didn't agree with the investigator. She said the award didn't reflect all the problems she'd had for a car that cost more than £100,000.

Because Mrs L didn't agree, this matter has been passed to me to make a final decision.

### **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 L was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mrs L entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

### Undisputed Fault

In this instance, it's not disputed there have been a number of issues with the car Black Horse supplied to Mrs L. This was a new car, from a premium brand, so I wouldn't expect to see this number of issues on a car of this age and specification.

Black Horse agree that the issue with the gear selector was a satisfactory quality issue. They also agreed that they would not expect the engine to require replacement after just twenty-nine months.

They said the other issues were not present or developing at the point of sale or could not be replicated. Black Horse explained how they reached their outcome based on comments from the dealer who supplied the car and a main dealer who had carried out repairs. This is set out in their final response letter dated 25 June 2025.

In the absence of any other evidence, I'm persuaded that the information can be relied on. So based on that evidence, I'm satisfied the car was not of a satisfactory quality.

All of the issues with the car arose after the first 30 days. Where faults arise after 30 days the CRA says that consumers, like Mrs L, can use the right to reject the car if there has been a repair, and there is still a problem.

I understand that the identified issues with the car have been repaired at no cost to Mrs L. She asked for those repairs. That is the appropriate remedy under the CRA – and as the car is now problem free (at the date of the final response letter), I don't think it's reasonable that Mrs L should now be able to reject the car.

### **Putting things right**

#### No Payment Refund

Mrs L has been able to use the car while it's been in her possession. And while it was being repaired, she was also provided with a courtesy car to keep her mobile. I agree that the courtesy cars were not a like for like luxury vehicle, but they were from the same premium brand and were of a similar size and type of car. I think the courtesy cars were a reasonable replacement and it's only fair that she pays for this usage.

Black Horse said that Mrs L wasn't provided with a courtesy car for the period 17 August 2022 to 19 August 2022. They offered a pro-rata refund of Mrs L's monthly payment to reflect those days she wasn't kept mobile. This amounted to £98.72. They also added £4.00 to reflect statutory interest on that amount.

I think that is reasonable and I won't be asking Black Horse to refund any more of the payments she's made.

#### Impaired Usage

I've also considered whether or not Black Horse should refund a percentage of the monthly payments Mrs L made to reflect any impaired use caused by the car not being of a satisfactory quality.

However, I see that Mrs L has exceeded the annual mileage she said she would do when she entered into the agreement. So, it would not be reasonable to say that her enjoyment has been limited as she's used the car more than she had originally agreed to do.

#### Distress & Inconvenience

I do agree that Mrs L has been inconvenienced by having to arrange for the car to be repaired on a number of occasions – not least requiring the engine to be replaced. I don't doubt the level of inconvenience and upset this would have caused to Mrs L, especially on a new premium car. So, I think Black Horse should pay her £500 in compensation to reflect the distress and inconvenience caused.

I know that Mrs L doesn't think this award is sufficient, but I don't think it's reasonable to ask Black Horse to pay any more. I agree that Mrs L was inconvenienced over a long period of time, and my award reflects the upset and worry caused to her, over the three-year period June 2022 to June 2025. That award is in line with the approach set out on our website.

I'm also not asking Black Horse to do anything more about the negative equity issue Mrs L has raised. That's because the used value of the car is not determined by Black Horse but by the buyer, be that a car dealer, a private individual, or any other party.

Therefore, Black Horse should pay Mrs L £500 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality. This is in addition to the amount they previously offered for loss of use plus interest (£102.72).

#### **My final decision**

For the reasons explained, I uphold Mrs L's complaint about Black Horse Limited trading as Land Rover Financial Services and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 23 December 2025.

Gordon Ramsay  
**Ombudsman**