

The complaint

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

What happened

A used caravan was supplied to Mr D under a hire purchase agreement with Black Horse that he signed in June 2024. The price of the caravan was £18,888 and the hire purchase agreement also included a part-exchange shortfall of £1,962.15. Mr D agreed to make 120 monthly payments of £258.52 to Black Horse. Mr D says that he collected the caravan in July 2024 and, when it was being used for his family's first holiday in it in August 2024, he started noticing faults with it which he reported to the dealer and Black Horse. He also complained to Black Horse about some other issues.

Black Horse partially upheld his complaint about the faults with the caravan, so offered to make a payment of £150 to him and said that the dealer was going to repair the caravan. Mr D wasn't satisfied with its response so referred his complaint to this service. He says that he collected the caravan from the dealer in February 2025 but all of the faults hadn't been repaired and there was more damage to the caravan.

Mr D's complaint was looked at by one of this service's investigators who initially said that the caravan wasn't of satisfactory quality but Black Horse's supporting of the repairs was an appropriate remedy. Mr D then provided further evidence and, having considered everything, the investigator thought that Black Horse needed to take further action to put things right. He recommended that it should: end the finance agreement and take the caravan back; refund Mr D's monthly payments from 6 December 2024, with interest; pay him £400 for any trouble and upset that's been caused; and remove any adverse information from Mr D's credit file in relation to the agreement.

Black Horse hasn't accepted the investigator's recommendation and says that it's happy for the complaint to be referred to an ombudsman for a decision. It says, in summary and amongst other things, that:

- there's no clear evidence that previous repairs have failed, Mr D has presented photos of issues that were never previously reported and it's willing to arrange an independent inspection of the caravan;
- these issues don't impact Mr D's use of the caravan so it's disproportionate to offer rejection and offering a refund of monthly payments from 6 December 2024 is excessive; and
- it initially accepted some concerns raised by Mr D but those issues are consistent with the expected snagging process when purchasing a used caravan and are typical signs of wear and tear as it's a used caravan that was eight years old at the point of sale.

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 caravan, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr D. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age the caravan and the price that was paid for it. Black Horse says that the caravan was about eight years old when it was supplied to Mr D and its price was £18,888. Satisfactory quality also covers durability which means that the components within the caravan must be durable and last a reasonable amount of time, but exactly how long that time is will depend on a number of factors.

Mr D says that he complained to Black Horse about issues with the caravan after it was used for his family's first holiday in it in August 2024. Black Horse upheld his complaint that the toilet cassette was filthy, the TV aerial port was broken, the sink plugs were worn, the door flyscreen was on the wrong way and a door handle was loose, and it offered to make a payment of £150 to him and said that the dealer was going to repair the caravan. Black Horse accepted that there were faults with the caravan when it was supplied to Mr D and it agreed to take action to put things right. I don't consider that the issues about which Mr D had complained would properly be considered to be wear and tear and I consider that the faults with the caravan caused it not to have been of satisfactory quality when it was supplied to Mr D.

Black Horse has provided a copy of the dealer's caravan handover checklist and I consider it to be clear from the evidence that I've seen that the dealer said that the caravan had been repaired. Mr D says that he collected the caravan from the dealer in February 2025, but all of the faults hadn't been repaired and there was more damage to the caravan. He's provided photos which he says show the faults with the caravan after he collected it from the dealer. Black Horse had said in its final response letter to Mr D that he should call it if the repairs weren't successful and it would work with the dealer to get them sorted. It was aware that Mr D wasn't satisfied with the repairs and I don't consider that it has worked with the dealer to get them sorted.

Black Horse says that it's willing to arrange an independent inspection of the caravan but Mr D complained to it in September 2024, the caravan was taken to the dealer for repairs on 6 December 2024, it issued its final response letter later that month and Mr D says that he collected the caravan in February 2025. If Black Horse wanted to arrange an independent inspection of the caravan, I consider that it would be reasonable to expect it to have done so before now. I'm not persuaded that it would be fair or reasonable for this complaint to be delayed any further or that an independent inspection is necessary for me to be able to make a decision on Mr D's complaint.

I consider that the caravan wasn't of satisfactory quality when it was supplied to Mr D and the dealer has had an opportunity to repair the caravan, but I consider that there's enough evidence to show that there continue to be faults with it. I've carefully considered all that Black Horse has said and provided about Mr D's complaint, but I consider that it would be fair and reasonable in these circumstances for it to allow Mr D to reject the caravan and to take the actions described below. I don't consider that allowing Mr D to reject the caravan is excessive or disproportionate.

Mr D has also complained to Black Horse about other issues but, as I'm upholding his complaint for the reasons given above and because he hasn't commented on those issues in his response to the investigator's recommendation, I don't consider that I need to make any further finding on those issues. I consider that the actions that I've described below result in fair compensation for Mr D in the circumstances of his complaint and I'm not persuaded that it would be fair or reasonable for me to require Black Horse to take any actions, other than as described below.

Putting things right

I find that it would be fair and reasonable for Black Horse to end the hire purchase agreement and arrange for the caravan to be collected from Mr D, both at no cost to him. The caravan was taken to the dealer on 6 December 2024 and Mr D says that he hasn't used it since he collected it in February 2025, it's parked on his drive and he's had to pay for other holidays as he can't use the caravan. I find that it would also be fair and reasonable for Black Horse to refund to Mr D any monthly payments that he's made under the hire purchase agreement for the period since 6 December 2024, with interest.

These events have clearly caused distress and inconvenience for Mr D. I find that it would also be fair and reasonable for Black Horse to pay him £400 to compensate him for that distress and inconvenience. Black Horse offered to pay him £150 compensation in December 2024 and, if it has paid that compensation to him, it should be deducted from the £400. Black Horse should also ensure that any adverse information about the hire purchase agreement that it's reported to the credit reference agencies is removed from Mr D's credit file.

My final decision

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

1. End the hire purchase agreement and arrange for the caravan to be collected from Mr D, both at no cost to him.
2. Refund to Mr D the monthly payments that he's made under the hire purchase agreement for the period since 6 December 2024.
3. Pay interest on the amounts to be refunded 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 D's credit file.
5. Pay £400 to Mr D to compensate him for the distress and inconvenience that he's been caused.

HM Revenue & Customs requires Black Horse to deduct tax from the interest payment referred to above. Black Horse must give Mr D 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 D to accept or reject my decision before 1 January 2026.

Jarrold Hastings
Ombudsman