

The complaint

Mr T complains about a hire purchase agreement he had with Black Horse Limited trading as Land Rover Financial Services.

What happened

In March 2020, Mr T took out a hire purchase agreement with Black Horse to get a brand new car with a cash price of around £37,000. Under the agreement, Mr T was scheduled to make monthly payments of about £450 over a four year period. At the end of the contract, Mr T then had the choice to pay the outstanding balance, or return the car to Black Horse. The agreement also contained a mileage allowance, meaning any distance over that allowance would incur a cost to Mr T.

Shortly before the agreement came to an end, Mr T decided to give the car back to Black Horse. He wrote to them and asked about arranging for the car to be collected. Black Horse didn't respond, so Mr T says he stored the car on private land, to avoid paying any additional insurance costs.

Around three weeks later, Black Horse collected the car and completed a report on its condition and mileage. They say Mr T signed a copy of the report and was aware that the car had exceeded the mileage allowance under the agreement. So, they asked Mr T for payment of £505 for the excess mileage. However, Mr T says he didn't know about the report and didn't receive a copy from Black Horse's agent. So, he disputed the charge and asked Black Horse to compensate him for storing the car on private land.

The excess mileage charge went unpaid. And after sending Mr T an arrears notice, Black Horse passed on details about the arrears to credit reference agencies. Mr T didn't think this was fair and raised a complaint. He said Black Horse's actions had unfairly lowered his credit rating.

In their final response to Mr T's complaint, Black Horse reiterated their view that Mr T was aware of the excess mileage charge and that it was correctly calculated. Black Horse didn't agree that Mr T had incurred any storage costs. But, they accepted they could have dealt with things sooner. So, they reduced the excess mileage charge to £405 and said they would remove the arrears information from Mr T's credit file, once he settles that charge. Mr T didn't accept Black Horse's response and brought his case to this service.

One of our investigators looked into Mr T's complaint and found that Black Horse had treated Mr T fairly. She said it was fair for Black Horse to charge Mr T for the excess mileage and for any missed payment information to show on Mr T's credit file. So, she said Black Horse's offer to reduce the charge and remove the adverse information after payment was fair. Furthermore, the investigator wasn't persuaded that it was reasonable for Black Horse to refund Mr T the storage fees he had claimed for.

Mr T didn't agree with the investigator's findings and said Black Horse didn't give him any documents to summarise the excess mileage charge. He said Black Horse knew he would have trouble storing the car after his insurance policy had expired, so they should be

responsible for the costs he incurred.

The investigator didn't change her conclusions and Mr T's complaint has now 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.

I want to acknowledge where I've summarised the events of Mr T's complaint. I don't intend any discourtesy by this, as it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But, I want to assure Mr T and Black Horse that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I also want to point out that where the evidence is incomplete or inconclusive, I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

This case is about a hire purchase agreement with Black Horse, which is in Mr T's name, and is a regulated financial product. As such, we are able to consider complaints about it.

Having looked at the agreement between Mr T and Black Horse, I can see that section A4 says:

“You must ensure the mileage travelled by the Vehicle does not exceed the permitted mileage of 24,150 miles including any mileage on delivery. (This is because the higher the mileage, the less the Vehicle is worth.) If you breach this term, you will be liable to pay us an excess mileage charge of 14.0 pence plus VAT per excess mile.”

With this in mind, I think Mr T agreed that he'd need to pay a charge to Black Horse, for any mileage that exceeds the allowance. Furthermore, I can see from the records related to the car, that by March 2024, the mileage allowance had been exceeded. Mr T hasn't disputed that the car was driven beyond the allowance.

So, I think regardless of when the car was collected from Mr T by Black Horse, he would always have faced an excess mileage charge. It then follows that I think it was reasonable for Black Horse to decide to ask Mr T to pay a charge. However, Mr T says he didn't sign the report put together by Black Horse's collection agent. He says the agent collected the car and drove away, without giving him any documents or paperwork.

I've looked at the agent's report on the car's condition and mileage carried out in May 2024. Having done so, I can see that the mileage recorded by the agent is around 200 miles more, than the car's Ministry of Transport (MOT) test completed a few months previously. So, on balance, I think it's likely the agent's report on the car's mileage is accurate. And after checking the impact on the amount charged, I think Black Horse's calculations are correct.

I'm aware Mr T says the signature on the agent's report isn't genuine. I accept why this was worrying for Mr T. But, given what I've concluded I don't think it would be fair to ask Black Horse to waive the excess mileage charge on the basis of the signature alone.

Moreover, I acknowledge where Mr T wanted to dispute the excess mileage charge, as he made the required monthly payments towards the hire purchase agreement. He says Black

Horse should not have recorded the agreement as being in arrears, and where he wanted them to reimburse his storage costs.

Within Black Horse's records, I can see where they wrote to Mr T about the charge added to the balance of the agreement. And when the agreement wasn't satisfied, I can see that warnings were sent to Mr T, explaining a potential impact on his credit file, if the arrears were not satisfied. Black Horse's records also show where Mr T didn't settle the arrears within the given time frame.

Against this background, I think Black Horse treated Mr T fairly, by setting out how much needed to be repaid and by when. In light of my findings about the charge itself, I think Mr T needed to settle the outstanding balance, to avoid the subsequent impact on his credit file. I accept Mr T is very concerned about that impact, But, I think it's fair for Black Horse to accurately report the history of the agreement with credit reference agencies.

Aside from the outstanding balance owed under the agreement and the impact on Mr T's credit file, I can see where it took Black Horse around three weeks to collect the car from Mr T. Black Horse say Mr T's initial correspondence went to the incorrect department and that caused a delay. While I accept that this likely caused a small delay, Mr T had sent his instruction to the right firm, so it was for Black Horse to then progress things.

I agree that this caused Mr T an inconvenience, particularly as he was worried about insurance costs. But, Black Horse have since reduced the excess mileage charge to £405. They've also agreed to remove any adverse information about the agreement once it's settled, as compensation for the delay.

Mr T has asked Black Horse to also build in the storage costs he says he incurred into that compensation. I've thought carefully about this and I need to be aware of Black Horse's comments about the private land where Mr T stored the car. And where it was always Mr T's responsibility to keep the car safe, while in his possession. Furthermore, Mr T had the option of taking the car back to the dealership at the end of his agreement.

In all the circumstances, I don't think it would be reasonable to require Black Horse to reimburse Mr T for the storage costs he says he incurred. So, I think the steps Black Horse have already taken to reduce the charge and address Mr T's credit file upon settlement of the agreement are fair.

My final decision

My final decision is that I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 April 2026.

Sam Wedderburn
Ombudsman