

### **The complaint**

Mr C complains about a car supplied under a hire purchase agreement, provided by Black Horse Limited.

### **What happened**

Around February 2025 Mr C acquired a used car under a hire purchase agreement with Black Horse. The car is listed with a cash price of £13,900, was just over four years old and had covered around 39,580 miles. Mr C paid a deposit of £102.

Unfortunately, Mr C says the car developed issues a short time later. He said the wing mirror was not functioning and low oil warnings were appearing on the dash.

Mr C also explained in April 2025 the car displayed a warning message "*Engine fault: Repair needed*" when driving. He said this went off after the car had been turned off and on.

In April 2025 Mr C complained to Black Horse. It issued a final response to the complaint in May 2025. This said, in summary, that it accepted the issue with the wing mirror, but noted this had been repaired free of charge.

Black Horse said in relation to the oil issue, the car had been looked at by the supplying dealer and a manufacturer's garage who found no fault. It said the manufacturer's garage said Mr C's car can use oil quickly but recommended replacing the oil with a thicker version. Black Horse said it would cover the cost of this without admitting liability.

Black Horse said it would pay Mr C a total of £459.37 which included £75 for distress and inconvenience, £10.76 for a day Mr C couldn't use the car, £150 for a diagnostic and £219.61 for the oil.

Mr C then explained the car had broken down on the motorway at the end of May 2025. He said he was then without it for eight days without a courtesy car while the dealer investigated.

Mr C complained further to Black Horse.

Black Horse issued a further final response in June 2025. In summary, this said Mr C had accepted the redress of £219.61 for the oil replacement and this had been paid.

Black Horse said it had asked Mr C for evidence of the breakdown but he hadn't provided this. Instead it said he had only provided undated fault codes.

Black Horse set out a timeline of when the car had been inspected or looked at since Mr C had it. It said no fault had been evidenced with the car. Black Horse didn't uphold the complaint.

Mr C remained unhappy and referred the complaint to our service. He said the car was using far too much oil. He explained some personal circumstances which were affecting him. And he said the breakdown had caused him trauma. Mr C explained he wanted to reject the car.

In June 2025 Mr C said the low oil light had returned. Mr C confirmed the car hadn't yet had an oil and filter change as recommended.

Black Horse explained to our service that it only had evidence the oil had been topped up once. It said Mr C hadn't been able to provide a report from when the car broke down.

In July 2025 Mr C confirmed the oil and filter had been changed. But around two weeks later he said the warning light had come back on again. He explained this continued to happen multiple times over the coming weeks.

Our investigator then issued a view. In summary, she said neither Black Horse or our service had received a diagnostic report confirming the car had a fault with it in relation to the breakdown or the oil levels. And she said what Black Horse had already done in its first final response was enough to put things right for the earlier issues.

Mr C responded and said he didn't agree. In summary, he said he'd shown the car was displaying low oil warning lights on multiple occasions. He said the car had 4.5 litres of oil put in over six months. He said the car had been back to the garage around ten times. And he said it wasn't normal for the car to lose power. Mr C explained the car was still displaying the low oil warning.

The car was then seen by a garage in August 2025 who produced a health check. This noted various fault codes and said, in summary, that the car was excessively using oil. It also explained the oil sensor may be faulty.

An oil consumption test was then completed in October 2025 and showed no issues.

Later in October 2025 Mr C said the car suffered a loss of power on the motorway again and said the car had to be recovered.

A few days later, Mr C explained the electronic wing mirror wasn't fully functioning again.

An independent report was then carried out on 14 October 2025. This said, in summary, that the car struggled to increase engine revs and that based on what Mr C told the author, another oil consumption test should be carried out by a garage not associated with the supplying dealer. The report noted a fault code that the author said could explain the loss of power experienced.

Our investigator explained she didn't think our service could consider the most recent breakdown as it didn't form part of Mr C's original complaint to Black Horse.

Our investigator then issued a second view on the case. This said, in summary, that she didn't think there was enough evidence to show the car had a fault that was present or developing at the point of supply.

Mr C disagreed. He said, in summary, that he'd demonstrated faults were present at the point of supply. And he said the car was due to undergo further testing.

Mr C then provided a report from another garage from the end of October 2025. This said, in summary, that it thought the turbo may be causing misreadings of the oil level. It recommended replacing 'the turbocharger with fresh oil' and then carrying out a diagnostic and retest.

At the beginning of November 2025 Mr C explained the oil light was still coming on and he again had to top this up. He said the light came back on 15 days later, and two days after

this, despite him topping it up each time.

Mr C then provided a follow up to the previous report from the garage. This set out the 'next plan of action' and gave an estimate to refit the cylinder head and to send the turbo for testing.

Towards the end of November 2025 Mr C explained the oil light had returned again. He explained he'd had to add around 800ml of oil in just over two weeks. He then explained the following morning the light returned, despite the car not having been driven since the oil was topped up.

As Mr C remained unhappy, the complaint was passed to me to decide.

I sent Mr C and Black Horse a provisional decision on 3 December 2025. My findings from this decision were as follows:

*Firstly, I'd like to explain to both parties that I may not comment on every point raised. And I will not be commenting on everything Mr C in particular has provided. I think it's important to acknowledge that Mr C has sent thousands of pages of evidence in this case. This means I am going to have to very heavily summarise in parts. Because of the volume of submissions, I also want to explain it has been very difficult at points to follow what has happened, and this has also meant some inconsistencies are present, partly because of the number of times the same things have been explained and described.*

*I do think it's also worth acknowledging Black Horse's understandable frustration with the situation and the difficulty this has caused it when it has been investigating things.*

*I want to reassure Mr C and Black Horse that I've carefully considered all of the available information. But, I'm going to focus my decision on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.*

*When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Black Horse here – needed to make sure the goods were of 'satisfactory quality'.*

*Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description. The CRA also sets out that the durability of goods can be considered as part of satisfactory quality.*

*So, in this case I'll consider that the car was used, had covered just under 40,000 miles, was over four years old and cost around £13,900. This means I think a reasonable person would not have the same expectations as for a newer, less road worn model. But, I still think they would expect it to have been in reasonable condition and would've expected trouble free motoring for at least a time.*

*What I need to consider in this case is whether I think Mr C's car was of satisfactory quality or not. While Mr C has raised various concerns, I think there are two main things to consider here. These are the oil low warning lights and consumption and the car breaking down.*

*It's worth setting out at this point that Black Horse said it considers the most recent breakdown to be a separate issue. It said this means this should come under a new complaint and shouldn't be considered in this case. However, I disagree. Clearly what Mr C says happened seems to be the same issue, or at least the same symptoms, as he earlier*

complained about. I'm satisfied the crux of any 'new' complaint will be the same as this one. And I can't see any benefit to either party for this to be considered separately. So, I am going to cover off this issue in my decision.

**Oil warning light/consumption:**

I appreciate this is going to be a very heavily summarised version of events here. But, Mr C says from shortly after getting the car until the present time, it has been frequently displaying a message to top up the oil.

Because of the volume of testimony from Mr C it is somewhat difficult to piece together precisely what happened at each stage. But I think it's fair to say that at times he said the light has come on when the oil didn't need topping up. And he says at other times it seems to have come on shortly after the oil was filled, meaning the car is using excessive oil.

I won't list all of the dates out here, but Mr C has provided a lot of photos of the warning on the dash throughout the time he has had the car. There is also some evidence of when this has been looked at by various parties:

I've seen a job sheet from 22 April 2025. The mileage was noted as 41,704. This said:

"Investigate engine management light on (EML)"

"Investigate oil low warning"

From notes that appear to be from the same day:

"checked for cambelt cracked. No crack. No oil pressure warning"

"checked for codes no code. No eml warning on the dash as well"

"oil level was on minimum. Topped up between min & max"

"took the car on road test, drives fine"

Another job sheet from 16 May 2025 where the mileage was noted as 42,354 stated:

"Been in a few times, oil light and spanner comes up, oil light starts flashing. Levels were topped up 14/05 very damp around oil cap – smells of oil"

From the notes the same day:

"No signs of oil leaks. Checked boost pipes, no excessive oil so don't suspect turbo. Pcv doesn't look to have excessive oil. No signs of oil smoke from exhaust."

"Suggest dealer Run oil consumption test"

I've seen a copy of an invoice from a different garage dated 22 May 2025. The mileage was noted as 42,609.

From what it appears Mr C said at the time, this was for an investigation into the car needing to be topped up with oil "5 times in 3 months".

"CARRIED OUT INVESTIGATION INTO CUSTOMER REPORTED ISSUE. CHECKED FOR OIL LEAKS-NONE FOUND. NO CODES STORED. RECOMMEND OIL GRADE CHANGE. CHECKED WET BELT ALL OKAY"

A vehicle health check from the same time said:

"recommend oil change to 5w30 and re-test/monitor"

I've then seen an invoice – from 3 July 2025 for £219.61. The mileage was noted as 43,614. This was for an oil and filter change, and from what Mr C said I understand this was to ensure the recommended oil weight above was in the car.

Again, I won't list every instance of Mr C explaining the top up oil warning returned, but it is worth noting this continued after the oil was changed. He provided a photo showing the warning on the dash from eleven days later, where he stated the mileage was 44,231. This means the car had covered around 600 miles since the oil was, presumably, completely full.

I've then seen a copy of a vehicle health check from 22 August 2025. The mileage was noted as 45,474. It appears Mr C paid £60 for this.

This noted various fault codes including:

"Engine Oil Level Below Allowable Range"

The testimony from the garage explained:

"We then inspected the engine for any oil leaks however none were found"

"We then inspected the ash and soot content of the GPF - gas particulate filter and found this to have 2.6g of soot currently. We then removed the bank 1 sensor 2 oxygen sensor and found this to have a lot of ash build up. This is a sign of oil being consumed through the combustion cycle. We then removed cylinder 1 spark plug and found this to be heavily sooted and has signs of burnt oil around the electrode. According to the vehicle specification, this engine should consume 1L of oil every 4k miles. This vehicle is consuming 1L of oil every 2 weeks, covering approximately 1k miles as per the customer stated. We believe this oil consumption is due to piston rings or valve stems being worn as there are no signs of oil in the intake system eliminating the turbo charger and pcv valve from being at fault."

"With the data and faults given we can confirm that the oil light issue is due to the – (code) Engine oil level below allowable range. This can indicate the wrong level of oil in the vehicle or can also show when the sensor becomes faulty"

I've then seen a copy of the oil consumption test dated 8 October 2025. This noted the mileage as 46,891. This said:

"checked oil and changed to make sure correct spec in car"

"consumption test, customer drove 1000 km and rechecked and found car has used .2 of a liter so within spec"

I've seen a copy of the independent report dated 14 October 2025. The mileage was noted as 47,512. This said:

"An under bonnet check of the engines oil level was conducted, the level was recorded between minimum and maximum of the dip stick."

"In my opinion with previous experience of this engine type and the many well documented oil consumption issues the current correct oil specification is a 5W/30 PSA spec oil as the

one (Mr C) is using.”

*“In my opinion taking into consideration the oil consumption test conducted by the dealer and the dealers chosen garage and the reports by (Mr C) that he has added 4.5litres of oil in 6 months, I am of the opinion an oil consumption test is required by an independent garage not associated with the supplying dealer.”*

*“In my opinion further independent investigation is required into the reported oil consumption as there is conflicting information between the supplying dealer and (Mr C), as to the extent of the oil consumption.”*

*I've seen a copy of a report from a third-party garage. The receipt from this was for £148.99, dated 29 October 2025 and the mileage noted as 48,155:*

“No fault codes”

“found oil sitting inside turbo housing”

“found oil coming from seals and being sent through intake system”

*“1<sup>st</sup> obvious sign of oil usage could be the turbo-charger, which is filling the intake system with a film of oil and coating sensors mounted within, this would cause misreadings to be sent to ecu”*

*“we will recommend replacing the turbocharger with fresh oil / oil filter and air filter. After that, carry out diagnostic and retest all!”*

*I've seen a follow up to the above dated 20 November 2024. The mileage was noted as 48,864. This said:*

“Advise on next plan of action”

“The next step would be to remove the turbocharger and send it for testing”

*It contained two estimates for:*

“Remove/refit the turbocharger”

“Remove/refit the cylinder head”

*It appears Mr C paid £74.50 for the above.*

*In terms of all the above, both parties should note this is not a comprehensive history of what happened based on all of the information I have. Both Mr C and the supplying dealer have provided multiple timelines of events, and I want to reassure everyone I have had this in mind.*

*Having thought about all of this, I agree with Black Horse and our investigator that there is not a clear diagnosis of a specific fault here. That being said, I still think it's most likely on balance that something is wrong with Mr C's car. I say this based on the above, Mr C's testimony and also how Mr C has acted – he has very persistently complained about the issue, has tracked what has been happening in some detail and has taken the time to return the car to the dealer or take it to other garages over multiple occasions.*

*I think there are a few possibilities:*

*I think it's possible there is some sort of issue with the car that means it is showing the 'top up oil' error message when the car does not require additional oil. This could be something simple such as a fault with the sensor itself, or something more complicated such as the explanation put forward in the recent report, where it was suggested false readings may be due to an issue with the turbo.*

*I think it's also possible that the car is using excessive oil. I appreciate there is very conflicting information here – clearly from what Mr C says, and from the findings of the independent report, it would seem likely this is the case. On the other hand, the consumption test carried out didn't show any issues, although I've noted the concerns about the independence of this.*

*I also think it's quite possible there is another underlying issue present which hasn't yet been identified.*

*Finally, I think it's worth pointing out that I'm also satisfied it might be the case that all of the above may be true.*

*All of that being said, I don't think I need to make any firm findings here about specifically what any fault is. It's enough for me to be able to say that I'm satisfied it's most likely something is wrong with the car in relation to the oil. In other words, even though I don't know what the fault is, I'm satisfied it's most likely a fault is present.*

*Given I have evidence the warning was being displayed only around two months after Mr C acquired the car, and having covered just over 2,000 miles, I think it's likely the issue was present or developing at the point of supply. And I don't think a reasonable person would expect a fault, whatever the cause, that would make the car so frequently display warning lights and/or need top ups of oil. It follows I find the car was not of satisfactory quality due to this issue when it was supplied.*

*I have considered the weight of oil being used. But I'm satisfied the issue continued even after this was changed, so this doesn't affect my opinion.*

#### **Breakdowns:**

*Mr C has explained that the car broke down on two occasions, in May 2025 and October 2025.*

*There is some inconsistency about specifically what happened, I think presumably due in part because of how many times this has been described. But, in general terms Mr C has explained the car suffered a loss of power when driving on the motorway, causing the car to slow.*

*Mr C has provided a lot of photos from the roadside at the points this happened. And I've been given some other evidence in relation to this:*

*I've seen an email from the supplying dealer dated 5 June 2025:*

*"Our technicians have worked extensively attempting to recreate the issue you reported. I myself have taken your vehicle out and driven it at 70mph on the motorway and still nothing is coming up on the dashboard and the car is performing as it should."*

*From the vehicle health check dated 22 August 2025 which was also noted above:*

*"With the data and faults given we can confirm that the loss of power is due to the – (code)*

*Exhaust camshaft position actuator park position. This indicates a problem with the valve timing system which can lead to power loss, poor performance, and damage to engine components like the catalytic converter or even the engine itself.”*

*From the independent report dated 14 October 2025:*

*“The vehicle starts and runs with no undue noises, or blue smoke evident, the spanner symbol was illuminated and the vehicle struggled to increase engine revs.”*

*“A diagnostic code for intake air pressure measurement would explain the spanner symbol and lack of power.”*

*“In my opinion with the current loss of power and diagnostic codes present I am of the opinion the vehicle is not of a satisfactory quality.”*

*Firstly, I think it’s a key finding to make that on balance I think it’s most likely the car did suffer the loss of power that Mr C described on these occasions. I say this as I’ve seen evidence the car was recovered and that Mr C was at the roadside.*

*That being said, similar to above I haven’t seen a firm confirmation of what actually caused the issues. The two reports mentioned above give two different explanations. So, I’m satisfied that the car has an underlying fault which has caused it to lose power twice. But I don’t know for sure what this issue is, or whether the two breakdowns were caused by two different problems. This means making any findings here is somewhat difficult.*

*Thinking about this in general terms, the first time this happened was around three months after Mr C acquired the car. I think it’s likely the mileage was around 43,000 at this point, meaning the car had covered roughly 3,500 miles since Mr C got it.*

*This is somewhat finely balanced. But, considering everything, whatever the root cause or causes, I don’t think a reasonable person would expect the car to have a fault that led to the car breaking down when it did. So, it follows I also find the car was not of satisfactory quality due to the breakdowns.*

### ***Summary and putting things right:***

*In summary, I find it likely the car has underlying faults which have presented in the car displaying frequent oil top up warnings and losing power on two occasions. And I find this means it was of unsatisfactory quality when supplied.*

*I’ve then considered Mr C’s rights under the CRA. Given multiple repair attempts have been completed and the underlying issues are not diagnosed nor repaired, I find Mr C has the final right to reject the car.*

*I’ve considered impaired usage. I think the frequency of the warnings must have caused Mr C distress, which I’ll come on to below. But I can’t see, in general terms, the performance of the car has been affected for the vast majority of the time Mr C has had it. So, I find it reasonable Black Horse retains all of the monthly repayments made towards the agreement to reflect the use of the car Mr C has had.*

*I have seen Mr C has had some expenses because of what’s happened, however some of these seem to have already been covered by various parties. I do think it’s likely that he is at a loss of £60 from the vehicle health check on 22 August 2025, £148.99 from the diagnostics from 29 October 2025 and £74.50 from the further diagnostic on 20 November 2024. If there are other costs from the inspections or other work done to the car that Mr C has covered*

*himself, he should let me know in response to this decision and provide evidence such as receipts. Black Horse should note I will likely include any reasonable costs in my final decision.*

*I'm also satisfied that Mr C has suffered distress and inconvenience because of what's happened. I think it must have been frustrating for the car to show so many warnings over a significant period of time. Mr C has had to take the car to be looked at multiple times. And he's had to have the car recovered on two occasions. I find Black Horse should pay him £500 to reflect this.*

I gave both parties two weeks to come back with any further comments or evidence.

Mr C responded and made some additional points to consider.

Black Horse replied and explained it was willing to accept the decision to bring the matter to a close.

### **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've carefully considered what Mr C said in response to my provisional decision.

In summary, Mr C said he thought the amount to be paid for distress and inconvenience should be £1,000 due to the issues he had with the car including the breakdowns.

It might help to explain that our service's approach to payments for distress and inconvenience can be found on our website. Having reviewed these, I'm satisfied Mr C was caused considerable distress, upset and worry as well as significant inconvenience and disruption that needed a lot of effort to sort out. This means a payment of £500 is in line with our guidance.

Mr C also said he part exchanged a car when he took the agreement that had a value of £1,800. I've thought carefully about this. But having double checked, this is not reflected on either the credit agreement or the invoice from the dealer at the time. These both show a deposit of £102. In the absence of other information, I think it's fair for this amount to be reimbursed.

Mr C also said the car now had issues with warning lights in relation to the parking assist and with the electric wing mirrors. However, this wouldn't affect the outcome I reached nor what I think would be fair to put things right. So, I don't need to make any further findings here.

Having thought about all the other information on the case again, I still think the complaint should be upheld and put right in the way I suggested in my provisional decision. This is due to the same reasons as set out above.

### **My final decision**

My final decision is that I uphold this complaint. I instruct Black Horse Limited to put things right by doing the following:

- end the finance agreement ensuring Mr C is not liable for monthly rentals after the point of collection (it should refund them any overpayment for these if applicable);

- take the car back (if that has not been done already) without charging for collection;
- Reimburse the deposit of £102 from 19 February 2025\*
- Reimburse £60 from the vehicle health check on 22 August 2025\*
- Reimburse £148.99 from the diagnostic from 29 October 2025\*
- Reimburse £74.50 from the further diagnostic on 20 November 2025\*
- Pay Mr C £500 to reflect the distress and inconvenience caused
- Remove any adverse information from Mr C's credit file in relation to this agreement

\*These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Black Horse considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue and Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 January 2026.

John Bower  
**Ombudsman**