

The complaint

Mrs P is unhappy that Black Horse Limited declined an application she'd made for a loan to finance the final repayment due on a hire purchase agreement.

Mrs P is represented in this complaint by a family member, but for ease of reading I'll refer only to Mrs P.

What happened

In August 2021 Mrs P was supplied with a used car through a hire purchase agreement with Black Horse. The agreement was for £15,600 over 48 months, with 47 monthly payments of £203.66 and a final repayment of £5,379.

The terms of the agreement informed Mrs P that she had the choice to pay the final repayment amount and keep the car or choose not to make the payment and return the car to Black Horse.

In August 2025 Mrs P applied to Black Horse to refinance the final repayment. The application was rejected. Mrs P complained that Black Horse did not take into account the income she received from Attendance Allowance. She also complained that they'd conducted a hard search on her credit file.

Black Horse said they rejected the application due to information held on Mrs P's credit file. They also said Mrs P had no disposable income. They also confirmed that they would not consider Attendance Allowance when checking eligibility for refinance.

Mrs P was unhappy with this response, so she referred her complaint to our service for investigation.

Our investigator said she hadn't found any error in the way Black Horse considered Mrs P's application. She said Black Horse had fairly considered the application as it was deemed unaffordable and not in line with their lending criteria.

She said it wasn't for our service to say that Black Horse should consider the attendance allowance when assessing affordability. But in any case, she said that including the attendance allowance would not have altered the overall decision not to lend.

Mrs P didn't agree with the investigator. She said the investigator's opinion didn't take into account that Attendance Allowance was a lifetime award, that Black Horse's refusal to manually review the application was unfair, and the policy not to include Attendance Allowance constituted indirect discrimination under the Equality Act 2010.

Because Mrs P 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.

I'm satisfied that Black Horse didn't act unfairly or unreasonably when it considered Mrs P's application for refinancing, and when it conducted a hard search of her credit file.

In her complaint Mrs P referred to relevant guidance that Black Horse are required to follow before lending to consumers. This guidance is contained in the FCA Handbook. In summary, these say that a lender must consider the customer's ability to make repayments on time, and that affordability checks should be proportionate.

Black Horse completed a credit check as part of the affordability check. They've confirmed that they declined Mrs P's application because of adverse information from the credit report, as well as a lack of disposable income. They reviewed the information as part of reviewing Mrs P's complaint and said they would still reject the application due to adverse information on Mrs P's credit file.

I can't comment on the decision whether or not to lend – it is for Black Horse to decide who to lend to, and what information to consider. But I'm satisfied that they based their decision not to lend on reliable information. That was the information from the credit check, from their own payment history, and the income and expenditure information it had received from Mrs P.

I'm also satisfied from what Black Horse has told us, that they would not have lent to Mrs P even if they'd included the income from Attendance Allowance. So I can't say that she was unfairly treated. It appears to me that Black Horse undertook a proportionate check and considered Mrs P's ability to make the repayments, before deciding not to lend.

Mrs P was unhappy that Black Horse conducted a hard credit search, and that it was after this search was completed that her application was declined. She said this search should have been done after they'd assessed affordability. I disagree. Such searches are a key part of the affordability assessment.

It's standard practice that when an application for lending is made by a consumer, an application search will be undertaken, and an application '*footprint*' left on the consumer's file. This footprint is the hard search that Mrs P complains about.

Mrs P agreed to a search being carried out, so it's reasonable that this was done as part of the application process.

I know Mrs P will be upset by my decision, but for the reasons I've explained, I don't think Black Horse treated her unreasonably or unfairly.

Mrs P was unhappy that an agent for Black Horse visited her at home. I have not considered that matter as Mrs P will need to complain formally to Black Horse and allow them to respond. I remind Black Horse of their obligation to treat Mrs P with forbearance and due consideration.

My final decision

For the reasons explained, I don't uphold Mrs P's complaint about Black Horse Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 5 February 2026.

Gordon Ramsay
Ombudsman