

The complaint

Mr K complains that Black Horse Limited (Black Horse) didn't acknowledge or act on his request to either part exchange a vehicle he was financing through an agreement with them or to refinance the balance due.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr K took receipt of a used car in July 2021. He financed the deal through a hire purchase agreement with Black Horse. In July 2025 he complained to Black Horse. He said they'd failed to act on his request to part exchange or refinance the balance due on the agreement and that as a result he was now faced with the need to pay a large balloon payment or to surrender the vehicle.

Black Horse said they'd administered the account correctly and they didn't uphold Mr K's complaint.

When Mr K referred the matter to this service our investigator didn't think Black Horse had done anything wrong either but as Mr K disagreed, his complaint has been referred to me, an ombudsman, for 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 agree with the investigator's view of this complaint and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr K acquired his car under a hire purchase agreement, which is a regulated consumer credit agreement. This means our service is able to consider complaints about it. Mr K has suggested that he discussed refinancing and part exchange with Black Horse during a call he had with them in December 2024 but having considered that call I don't think that was the case. The call was about the arrears on the account; Black Horse confirmed the need to make a balloon payment at the end of the agreement if he wanted to keep the car and Mr K didn't want to provide budgetary information so they could formulate a repayment plan to recover the arrears. He explained that he'd be able to repay the arrears. So I don't think it would be fair to suggest Black Horse failed to act on a request to part exchange or

refinance.

We'd expect a business to be sympathetic and supportive when a consumer is in financial difficulties and to show some forbearance. But Mr K explained he'd be able to repay the arrears and as he wasn't prepared to complete an income and expenditure form with Black Horse, they had no way of establishing what would be affordable for him. I don't therefore think they could have shown more forbearance.

Black Horse have an obligation to report account performance accurately to the credit reference agencies. I've seen no evidence that they have reported inaccurate information and there's no dispute that the account was in arrears, so I don't think the adverse reporting was unreasonable.

While a business may be prepared to stop collection activity when a complaint is in process they don't have to, so I don't think Black Horse have been unfair to pursue Mr K for the balance due on the account.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 25 February 2026.

Phillip McMahon
Ombudsman