

The complaint

Mr M complains about a car supplied to him using a hire purchase agreement taken out with Black Horse Limited (“Black Horse”).

What happened

In June 2024, Mr M acquired a used car using a hire purchase agreement with Black Horse. The car was over five years old, the cash price and mileage of the car recorded on the agreement was £17,600 and 54,423 miles, respectively. The agreement was for 60 months, made up of regular, monthly repayments of £487.72. The final payment also included a £10 purchase fee. The agreement also included additional products taken out, which was a warranty and a product called “*cosmetic protection*”. The cost of the protection listed on the agreement was £799, and it was paid for partly by the monthly repayments Mr M made towards the agreement.

Within a few days, Mr M complained about the cosmetic protection product that was applied to the car prior to it being supplied. Mr M wanted a refund of the product and he said he was told there were no cancellation terms that could be applied.

Mr M then said he had issues with his brakes. He said he was advised to contact his warranty company. Mr M then provided the warranty company a quote for repairs, which was approved. Mr M said repairs were then carried out in August 2024 to replace the brake boost sensor and he was reimbursed the cost of the repairs carried out.

Mr M complained to Black Horse in October 2024 as he didn’t think the repairs had resolved the issue he had experienced. Mr M complained about both the brake system and the cosmetic protection that was applied to the car.

An Independent inspection was carried out to the car in November 2024, but it only commented on the cosmetic protection applied to the car, and not the braking system.

Black Horse issued their final response to Mr M in which they upheld his complaint. They offered him £250 compensation and told him to book in a reapplication of the cosmetic protection with his warranty provider.

Mr M, unhappy with Black Horse’s response, referred his complaint to our service in November 2024 as he wanted to reject the car.

Our investigator issued her view where she explained why she upheld Mr M’s complaint. The investigator instructed Black Horse on what they needed to do to put things right.

Both Mr M and Black Horse disagreed with the outcome reached. Black Horse said they accepted repairs to be carried out but Mr M refused this asking to reject the car, and had then continued to drive it.

Mr M, among other things didn’t think it was fair that he was paying interest towards warranty cover which he didn’t have any benefit of. Our investigator explained that Mr M has had the

benefit of the warranty cover already through accepted claims. The investigator went on to explain that her outcome and what she was instructing Black Horse to do to put things right hadn't changed.

Black Horse still disagreed with the outcome the investigator reached as the car continued to be driven and it had passed a MOT, which they didn't think would have been possible, given the nature of the fault to the braking system. So, it was agreed for a further independent inspection to be carried out to the car, which took place in November 2025, when the car's mileage was at 95,644 miles.

The report concluded there was no visible evidence that the brake booster was replaced and that given the miles the car had been driven since it was acquired, the engineer didn't think the fault with it was present or developing at the point of supply.

Our investigator issued a further view where she explained that it is likely the brake sensor hadn't been replaced in August 2024. And as the car continued to be driven, it led to a full replacement of the braking system being required. So, the investigator didn't think Black Horse could be held liable for additional damage caused to the car due to a failed repair by a third-party garage. And the investigator explained that Mr M hadn't mitigated his circumstances by continuing to drive the car despite being told not to drive it.

So, the investigator concluded that Black Horse no longer needed to accept rejection of the car and only needed to refund Mr M the cost he paid for the cosmetic protection, as well as pay him £250 compensation.

Black Horse accepted the investigator's findings. Mr M disagreed with the outcome and said that he was open for a further inspection of the car to show that the sensor was replaced in August 2024. Black Horse disagreed to this. And the investigator explained she hadn't reached her outcome based solely on the sensor being replaced but also due to the mileage driven in the car. And so, she didn't think a further inspection was required.

As Mr M disagreed with the investigator's outcome, the complaint was passed to me to decide.

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'm upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr M complains about a hire purchase agreement. I'm satisfied here that Mr M entered into the contract for business purposes as there is evidence the car was being used as a taxi. And the amount of credit provided was under £25,000. So, I'm satisfied the agreement was regulated. Entering into regulated credit agreements such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr M's complaint about Black Horse.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations.

Mr M and Black Horse referenced the Consumer Rights Act 2015 ("CRA") in relation to this complaint. But, as I'm satisfied Mr M entered into the agreement for business purposes, he wasn't acting as a consumer. So, the CRA doesn't apply here. Instead, the Sale of Goods Act 1979 ("SGA") is relevant to this complaint.

Similar to the CRA, the SGA implies a term into the contract that the car Black Horse supplied to Mr M should have been of "*satisfactory quality*". The SGA explains satisfactory quality is what a reasonable person would expect, taking into account any relevant circumstances. I would consider relevant circumstances here to include things, amongst others, like the car's age, price, mileage and description.

So, what I need to consider here is whether the car supplied to Mr M was of satisfactory quality or not. I'll take into account that the car was used, over five years old, had been driven around 54,400 miles and cost £17,600. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

The cosmetic protection – Mr M complained about the cosmetic protection applied to the car. An independent inspection was carried out to the car in November 2024 in relation to the product, at 58,000 miles. The report said:

"Poorly applied aftercare polish was seen on the vehicles [sic] bodywork exterior.

Dirt ingress identified to the door shuts and inner door panels.

No evidence of bodywork damage could be seen on the vehicle.

Dirtiness to the leather interior seats, indicates poor application of [product] polish

...

I can confirm on a poor application of [product] being applied to the vehicle.

This can be determined by the condition of the paintwork during the inspection.

It is unlikely the vehicles [sic] paintwork would not disperse water quickly without the application of [product].

Further application of the [product] solution is recommended."

Given the comments above, I'm satisfied that there was a fault in relation to the cosmetic protection which was applied to the car.

The braking system – Mr M said early on that he had issues with his brakes, and after liaising with his warranty company, the brake booster pressure sensor was replaced. Mr M supplied an invoice from August 2024, where the car's mileage was recorded as 56,786 miles.

Mr M said repairs carried out in August 2024 didn't rectify the issue he experienced. So, the car was taken to the manufacturer's garage in October 2024, where a diagnostic and health check was completed on the car at 61,775 miles. The job sheet/invoice for the works carried out said:

"Carried out an investigation into ABS RED fault light and engine management light.

- Found number 2 glow plug required to be replaced.

- *Static fault also found in ABS module and requires ABS control unit/hydraulic assembly.*
- *Advised DO NOT DRIVE*

...

Warning Lamps – ABS ISSUE static fault entry in 03 Brake electronics [fault code] Hydraulic brake booster limit valve reached will require complete ABS control unit/Hydraulic unit”

Considering the above, I’m satisfied there was a fault with the car in relation to the ABS control unit/hydraulic unit, due to the hydraulic brake booster limit valve being reached. And this meant that Mr M was advised not to drive the car.

Was the car of satisfactory quality at the point of supply?

I now need to consider whether faults with the car meant it wasn’t of satisfactory quality at the point of supply.

In relation to the cosmetic protection, considering issues with it were identified shortly after the car was acquired, and the inspection report from November 2024 says it was poorly applied, I’m satisfied the fault with the cosmetic protection made the car of unsatisfactory quality at the point of supply.

Turning my attention now to the issue with the car’s braking system. Several pieces of information suggest that further damage had been caused to the car because of it continuing to be driven, despite Mr M being advised not to drive it and a warning light appearing on the car’s dashboard.

Comments made by the manufacturing garage that diagnosed the car in October 2024, later said that the car only required a hydraulic brake booster sensor replacement. However, as the car continued to be driven, drive on damage caused the car then requiring a new ABS control unit/hydraulic unit.

Our investigator then noted that the car passed its MOT in March 2025 at 74,408 miles, with only an advisory to the car’s rear tyre. Mr M informed our service that the warning light was intentionally cleared by a garage for it to pass its MOT. Mr M said the warning light then returned the following day.

Considering the above, it begins to paint a picture that the car was driven, when advised not to be driven. I’m also mindful that by the time the car was inspected again in November 2025, the car had been driven 95,644 miles – over 41,200 miles since the point of supply, around 17 months prior. And I don’t think Mr M has mitigated his circumstances here by continuing to drive the car when it was advised not to.

It’s also worth noting that the expert engineer who carried out the further independent inspection in November 2025, said:

*“The engine was hot upon arrival indicating current use...
Multiple fault codes were present within the ECU in relation to the braking system.
The EML lamp was illuminated...
No evidence of a replaced brake booster could be identified...
Based on the current mileage travelled since purchase, the vehicle’s brake fault would not have been present or developing at the point of sale.”*

I have inferred from the extract of the report above that the expert engineer didn’t think that the brake pressure sensor was replaced.

Mr M had asked for a further inspection to be carried out to the car to determine whether the brake pressure sensor was replaced in August 2024. While I appreciate his comments here, I'm mindful of two things. Firstly, comments made by the manufacturing garage in January 2025 support what the expert engineer also found, as they also suggested that only the brake booster sensor was required to be replaced, but as it wasn't, it led to further damage as the car was continued to be driven. So, I'm persuaded by what the expert engineer has said about the brake booster sensor not being replaced. And secondly, and most importantly here, the latest inspection report found that due to mileage travelled since the car was supplied, they didn't think the fault with the brakes was present or developing at the point of supply.

So, considering things here, even if a further report was to be produced and it concluded that the brake booster sensor was replaced correctly, I still don't think it would be fair to hold Black Horse responsible for further damage to the car's braking system due to what appears to be misuse of it by continuing to be driven, when it was advised not to be.

What Black Horse needs to do to put things right

As explained above, I'm satisfied that the cosmetic protection that was applied to the car at supply was poorly applied. Given the length of time that has passed, I don't think a repair of it would be fair and reasonable, as it is likely further damage or scratches could have occurred to the car while it was in general use. So, in the circumstances, I think it would be fair and reasonable for Black Horse to refund Mr M the cost of the cosmetic protection, which was listed as £799 on the agreement.

Distress and inconvenience

Black Horse in their final response to Mr M in November 2024 offered £250 for the distress and inconvenience caused by this complaint. I'm mindful here of the purpose Mr M required the car (for it to be used as a taxi), and I think it must have been frustrating that it didn't have the cosmetic protection applied correctly. So, in the circumstances, I think Black Horse should pay Mr M £250 for the distress and inconvenience caused.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Black Horse Limited to put things right by doing the following:

- Refund Mr M £799 – the cost he paid towards the cosmetic protection that was applied to the car. *
- Pay Mr M £250 to reflect the distress and inconvenience caused.

* 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 M how much it's taken off. It should also give Mr M a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Black Horse has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 February 2026.

Ronesh Amin
Ombudsman