

The complaint

Mrs N complains that Black Horse Limited (“Black Horse”) unfairly terminated a hire purchase agreement she held with them.

What happened

In April 2022, Mrs N acquired a used car using a hire purchase agreement with Black Horse.

In October 2024, Mrs N’s account she held with Black Horse fell into arrears. Mrs N got in touch with Black Horse in January 2025 and informed them of her personal circumstances and that she was struggling to meet the repayments required under the agreement.

In February 2025, a payment plan was agreed between Mrs N and Black Horse where partial payment was required for three months. Black Horse informed Mrs N to get back in touch after the payment plan ended to discuss further options on the account.

The first payment required wasn’t made successfully by direct debit, but was made later manually by Mrs N. The plan was then restarted for the remaining two months.

Mrs N spoke with Black Horse on a few occasions in May 2025 where she explained her circumstances. However, an income and expenditure assessment couldn’t be completed before a new plan was agreed.

Initially, a further plan was declined by Black Horse due to the arrears that had accrued on the account. However, in June 2025, a payment arrangement was agreed for four months.

In August 2025, Black Horse informed Mrs N that the second arrangement was suspended as the full payments required weren’t made.

In September 2025, Black Horse sent Mrs N a Default Notice, informing her of the arrears that had accrued on the account, totalling over £2,800 and that a payment was needed by 21 September 2025. The letter explained what would happen if the arrears weren’t cleared.

Towards the end of September 2025, Black Horse informed Mrs N that the agreement with them had been terminated by way of a Notice of Termination.

Mrs N complained to Black Horse in October 2025 and in December 2025, Black Horse issued their final response to her, explaining that they didn’t uphold her complaint. In summary, they thought they had acted fairly in the administration of the agreement.

Unhappy with Black Horse’s response, Mrs N referred her complaint to our service.

Our investigator issued her view where she outlined why she wasn’t upholding Mrs N’s complaint and thought Black Horse had acted fairly. She also explained that she thought Black Horse had made it clear what options Mrs N had when she contacted them in May 2025.

Mrs N disagreed and didn't think Black Horse had acted fairly and proportionately. And so, 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 not 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.

Mrs N complains about a car supplied to her under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mrs N's complaint about Black Horse.

Mrs N believes that Black Horse wrongfully terminated an agreement she held with them. So, to consider this complaint, I have first referred to the terms and conditions which Mrs N agreed to when she was supplied the car. The agreement explained under a section titled, "*Missed payments*":

"If you miss payments, we may end the agreement..."

The agreement went on to say under a subheading, "*Termination because of breach of the Agreement*":

"We can end the Agreement by writing to you if you fail to make any Repayment on its due date..."

We must send you a legal notice if we want to end the Agreement..."

In this instance, I don't think it is in dispute that Mrs N failed to make the repayments that were owed under the agreement on time. I say this because Mrs N was aware she was in arrears and contacted Black Horse to arrange a payment plan. I also don't think it is in dispute here that Mrs N failed to adhere to the requirements of the payment plan as Mrs N has explained that she later thought the amounts owed were unachievable.

I can also see that Black Horse sent Mrs N a Default Notice in early September 2025, explaining the arrears amount and that payment was required within a few weeks. And if Mrs N didn't make that payment, then the agreement may be terminated.

In this instance, the agreement was terminated as the default notice wasn't remedied by the deadline set and a notice of termination was sent to Mrs N. While I appreciate Mrs N says she wasn't aware that the agreement would be terminated, I'm mindful of the copies of correspondence Black Horse has supplied which they say was sent to Mrs N. And I'm also mindful that Mrs N ought to have been aware that there was a possibility that her agreement would be terminated, given what the terms of the agreement which she signed said, and given the arrears that had accrued on the account and that payment hadn't been made on time on a few occasions.

In light of all this, I don't think Black Horse has acted unfairly or unreasonably in the administration of the account held with Mrs N. Although I'm not upholding Mrs N's complaint, I would remind Black Horse of its continuing obligation to exercise forbearance and due consideration when choosing to collect payments from her.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Black Horse Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 10 March 2026.

Ronesh Amin
Ombudsman