

The complaint

Mr C complains that the car he acquired through Black Horse Limited, trading as Land Rover Financial Services (“BHL”) wasn’t of satisfactory quality. He wants to cancel the agreement and reject the car.

Mr C is represented in his complaint. For ease of reading, the testimony and submissions of both Mr C and his representative will be referred to as those of Mr C.

What happened

Mr C entered into a PCP credit agreement in November 2024 to acquire a used car. The cash price of the car was £28,100 and the total repayable were the credit agreement to run to term was £33,778.33. The credit agreement was set up over a 48-month term with monthly payments of £509.39. At the time of acquisition, the car had already been driven just over 50,000 miles and was just around five years old.

Mr C told us:

- He acquired the car in November 2024 but just a few weeks later, the steering failed and the car could not be driven;
- a roadside recovery business attended and advised that the steering rack needed replacing, and the car was towed to the supplying dealership where it was reprogrammed and returned;
- the following week the same warning reappeared, and the car was again towed to the supplying dealership, where more than £4,000 of repairs were completed;
- the car needed a new steering rack and rear brake pads and discs. The steering rack was replaced in March under warranty, but he had to pay for the brakes;
- he was unhappy with having to pay for the brakes as there were no advisories on the MOT that was passed just before the car was supplied;
- over the next few weeks, a number of other parts had to be replaced;
- he’s lost all faith in the car and is constantly on edge that it will break down at any time, so after the car was returned, he exercised his right to reject it;
- BHL said he couldn’t reject the car because it had been repaired, but it did offer him £300 compensation which he says is insulting;
- he wants to reject the car and have the credit agreement cancelled.

BHL said it would uphold part of Mr C’s complaint, and it apologised that repairs to the steering rack; cylinder 1 injector; engine; and fuel pump had been necessary, and it said that these parts had been successfully replaced. And it offered Mr C £300 compensation for the distress and inconvenience caused.

BHL said that if Mr C had incurred further costs, or loss of use or enjoyment because of the things that had gone wrong, he should provide details for its consideration. And it said that if the repairs that had been carried out turned out not to have been successful, Mr C should get in touch so that it could get things sorted for him.

BHL said it didn't uphold Mr C's complaint about the paintwork and the brakes because the issues with the brakes were consistent with general wear and tear, and the paintwork scratches were simply cosmetic issues that Mr C had taken up with the supplying dealership and agreement had been reached to have them rectified.

BHL told this Service that it accepted it was responsible for the problems with the steering rack; the injector; the engine; and the fuel pump, but these were all repaired successfully in January, March and April, and at no cost to Mr C. BHL said it understood that Mr C had asked to reject the car, but that on the basis he had authorised and accepted repairs, and he'd been provided with a courtesy car on all occasions, it didn't think this was appropriate.

Mr C didn't accept BHL's offer and brought his complaint to our Service. He said he formally rejected the car in writing in May 2025, and he'd been unaware he could've exercised this right earlier. He said he'd had no choice but to accept each of the repairs as he'd needed to have his car returned, and although the car is now driveable and has no faults, he wants to reject it.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this complaint, and she said that she was satisfied that Mr C had authorised the repairs that had been carried out. And because of this, rejection of the car was only an option if these repairs failed, or if further faults that were present or developing at the point of supply subsequently arose.

She said there was no dispute that there had been faults with the car that made it to be not of satisfactory quality at the point it was supplied, but the faulted parts had been replaced, and Mr C said the repairs had been successful.

Our Investigator acknowledged the distress and inconvenience that BHL had caused Mr C by supplying him with a car that had inherent faults, and she said that its offer of £300 compensation was fair and in line with what our Service would recommend.

BHL accepted our Investigator's recommendations.

Mr C disagrees so the complaint comes to me to decide. He says he doesn't accept our Investigator's findings; she's mis-applied the provisions of the CRA; relied on an incorrect timeline; and wrongly concluded that he'd waived his right to reject, and he doesn't accept £300 compensation.

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 agree with our Investigator's findings; I'm satisfied that a payment of £300 compensation by BHL is the fair way to settle this complaint – and I'll explain why.

I hope that Mr C won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr C should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am *not* bound by them when I consider what is fair and reasonable.

As the credit agreement entered into by Mr C is a regulated consumer credit agreement this Service is able to consider complaints relating to it. BHL is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Mr C was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless BHL can show otherwise. But, if the fault is identified after the first six months, then it's for Mr C to show the fault was present when he first acquired the car. So, if I thought the car was faulty when Mr C took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask BHL to put this right.

I don't think there's any dispute that Mr C has experienced a number of problems with the car. That has been well evidenced by both his testimony and the fact that BHL does not contest this. Moreover, the supplying dealership says it carried out repairs; it replaced a number of parts including the steering rack; cylinder 1 injector; engine; and fuel pump.

But, whilst I accept that there have clearly been issues with each of the parts that needed replacing, BHL would only be responsible for putting things right if I'm satisfied that all, or some of the faults were present or developing when the car was supplied – that is to say, the car wasn't of satisfactory quality when Mr C first acquired it November 2024.

Now each of the problems or faults occurred within the first four months of Mr C acquiring the car – the first one within just a few days, so I'm in no doubt that they were likely present or developing at the point of supply.

But I'm of the view that, based on what I've seen, the supplying dealership accepted liability – it completed each of the repairs at no cost to Mr C – and it seems to me that all parties accepted that 'repair' was the way forward – and the supplying dealership undertook those repairs.

I've also seen nothing to suggest to me that the remedial work hasn't been completely successfully. So, on the basis that the car has been successfully and fully repaired, I don't think it would be right to direct BHL to accept rejection of it. I'm satisfied that BHL, through the actions of the supplying dealership, has done what it needed to do in the circumstances.

Mr C says he wanted to reject the car, and he formally wrote to confirm this in May 2025, once the car had been returned to him. But I'm satisfied that Mr C authorised repairs on the car before he subsequently decided he'd like to reject it. And in providing this authorisation for repairs, Mr C cannot then decide to reject the car unless those repairs fail, or new faults, that were present or developing at the point of supply, arise.

Now, it may well be the case that Mr C does not have full confidence in the repairs, or he

fears that other faults may manifest themselves in the future – there have been a significant number of repairs to the car already. In this situation, it would be for Mr C to instruct a recognised independent engineer to inspect the car.

In the event an independent engineer concluded that any of the repairs had not been successful - they'd not addressed the original fault, or alternatively, the engineer identified further faults that were likely present or developing at the point of supply, then Mr C could bring a new complaint directly to BHL. In these circumstances, most businesses would accept rejection of the vehicle and reimburse their customer for the cost of the independent inspection.

I know Mr C will be disappointed with what I've said, but I hope he understands why I've reached the conclusions that I have.

Putting things right

Black Horse Limited, trading as Land Rover Financial Services did cause Mr C distress and anxiety with the initial problems he experienced when it supplied him with a faulty car. And I can see it's acknowledged this and agreed with the recommendation to pay Mr C £300 compensation in recognition of this. So I'm now going to ask it to make that payment, if it hasn't already done so.

I can't take into account the impact on anyone else of what's happened, and a payment of £300 recognises the frustration and worry Black Horse Limited, trading as Land Rover Financial Services caused Mr C. I've noted that Mr C was kept mobile at all times, so I won't ask Black Horse Limited, trading as Land Rover Financial Services to do anything more.

My final decision

My final decision is that I uphold this complaint and direct Black Horse Limited, trading as Land Rover Financial Services to pay compensation as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 March 2026.

Andrew Macnamara
Ombudsman