

The complaint

Mr G complains that a car supplied to him under a hire purchase agreement with Black Horse Limited was of unsatisfactory quality.

What happened

Mr G acquired a used vehicle under a hire purchase agreement with Black Horse Limited (BHL) in September 2023. The vehicle was around six years and nine months old and had travelled around 26,489 miles when it was supplied. The cash price of the car was £10,995.00 with an advance payment of £500.00 being paid. The total payable was £14,912.60 payable in 60 monthly instalments of £240.21 for the vehicle part of the agreement.

Mr G explained that he encountered a number of issues with the vehicle from early on in the agreement, with then two clutch related repairs needed in August 2024, followed by a replacement engine being required. Mr G complained to BHL. BHL upheld one issue with a damaged tyre valve and offered £50 for distress and inconvenience. BHL did not uphold any other part of the complaint.

As he was unhappy with this outcome, Mr G brought his complaint to this service where it was passed to one of our investigators. The investigator upheld the complaint. It was their opinion that the vehicle had not been suitable durable, making it of unsatisfactory quality.

BHL disagreed with the outcome, and Mr G agreed. As BHL did not agree, I've been asked to review the complaint and 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.

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 G acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr G's complaint about BHL. BHL is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also

explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

I've reviewed the available evidence about the issues Mr G experienced with the car. Based on what I've seen, I'm satisfied there was a fault that required work on the clutch on at least two occasions, and a fault with the engine. I say this because neither Mr G nor BHL dispute the vehicle had clutch faults and I've seen job cards showing the work carried out on two occasions. I'm also persuaded there was an engine fault. I say this because of the cost for a replacement engine being outlined, the information initially provided to this service by BHL and Mr G's detailed testimony.

Having considered the car had faults, I've considered whether it was of satisfactory quality at the time of supply.

I can see that at the time of the first repaired fault in July 2024, the invoice for the visit to the repairer shows the mileage as 44,355, meaning the vehicle had travelled around 17,866 miles since the inception of the finance agreement.

The invoice explains the clutch pedal sticks down, and the repairer removed and replaced clutch, slave cylinder and dual mass flywheel. Mr G stated that this did not repair the issue, and I can see the next invoice shows the car being brought in early August 2024. The mileage is listed as 44,895 and states clutch pedal to floor. This time the work is described as replaced master clutch cylinder.

When thinking about these faults, A reasonable person may expect parts such as the clutch and dual mass flywheel to last longer than it did without failing. I can see BHL have raised that this can happen due to driving style, but I have no evidence to show that Mr G's driving style was at fault for what I'd consider to be an early failure.

The vehicle appears to have been sold with part service history according to a historical advertisement at under 27,000 miles, and Mr G had the vehicle serviced himself during his ownership of it. So I'm not persuaded that a distinct lack of maintenance by Mr G is most likely to have caused it either.

The repair to this failure did not work, and as such further repairs were required. Research suggests the master cylinder may also have failed early and again can be dependent on driving style and other factors.

According to Mr G, these repairs also did not fix the vehicle, as he explains he was told there was a serious fault meaning the engine needed replacing. I've seen an email from the dealership outlining what this would cost to do. Initially there was no more information about this, however after the investigator's outcome, BHL supplied a job card from the time the car was seen and explained the dealership told them there was never actually a fault with the engine and that the vehicle still ran.

The generated invoice shows the vehicle in date as September 2024, with the invoice itself dated at the end of June 2025. The mileage is listed as 0. This shows the work to be carried out as investigate engine / EML.

There is a written part supplied, explaining fault possibly due to back pressure in cylinder head, further diagnostic needed. BHL say that Mr G did not allow for further work to be carried out on the vehicle.

Having thought about everything I have, I'm persuaded that there was most likely an engine fault found. I say this because of Mr G's detailed, consistent and plausible testimony, along with the information supplied initially.

I appreciate the documents supplied by BHL later on, however the invoice is dated significantly later than the vehicle was seen, with the mileage recorded at 0, with the written part explaining there could be a fault due to back pressure. This does not persuade me that there was more than likely not a fault with the vehicle in this area when weighing up all of the information available.

Taking everything into account including the failure of the clutch parts and the failed repair, as well as the potential engine fault, I'm persuaded that the vehicle was not of satisfactory quality when it was supplied, particularly in relation to its durability. Mr G was able to travel around 18,000 miles after acquiring the vehicle, but a reasonable person could expect to have used this particular vehicle without encountering the type of faults it did for longer than Mr G has been able to.

Putting things right

As I've concluded that the car was not of satisfactory quality when it was supplied, I think it's reasonable that BHL should put things right.

BHL should ensure the agreement is treated as ended and reimburse Mr G's deposit, although BHL is entitled to retain any part of the deposit made up of dealer contributions.

Mr G no longer has possession of the vehicle and had not driven it since around August 2024. It appears Mr G stopped making payments towards the agreement from September 2024 onwards, and as this is when Mr G stopped using the vehicle, I don't expect there is any payments after this time that BHL need to return to Mr G. Mr G also had use of the vehicle up until August 2024, and as such I would not direct BHL to return any of his monthly payments during this time either.

There are outstanding arrears on the account however, due to the non-payment of the agreement. The fairest way to put things right is for BHL to ensure the arrears are cleared at no cost to Mr G and ensure no adverse information is recorded on his credit file in relation to the agreement.

I then thought about if a payment for distress and inconvenience was necessary here. I agree with the investigator that BHL should pay Mr G £250.00 to reflect the stress, worry and inconvenience Mr G will have suffered through trying to have his vehicle sorted, organising visits and getting the car repaired along with the stress and worry caused by the disruption to his transport.

My final decision

For the reasons explained, I uphold Mr G's complaint and instruct Black Horse Limited to do the following:

- Ensure the agreement is treated as ended and clear the arrears as outlined above.
- Refund the deposit as outlined above.

- *Pay 8% simple yearly interest on all refunded amounts from the date of payment to the date of settlement.
- Pay a further amount of £250 for distress and inconvenience.
- Remove any adverse information from Mr G's credit file in relation to the agreement.

*HM Revenue & Customs requires Black Horse Limited to deduct tax from the interest amount. Black Horse Limited should give Mr G a certificate showing how much tax it has deducted If he asks for one. Mr G can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 March 2026.

Jack Evans
Ombudsman