

The complaint

Mr W complains about the quality of a new car he acquired through a personal contract purchase with Black Horse Limited trading as Jaguar Financial Services ('Black Horse'). Mr W says that the car is not of satisfactory quality as it has a problem with the battery and the air conditioning system.

What happened

Mr W's complaint is about the quality of a car he acquired in January 2020. The car was new. Mr W acquired it using a hire purchase agreement that was also started in January 2020. The vehicle had a retail price of £66,855. Mr W paid a £15,850 deposit meaning £51,005 was financed.

This agreement was to be repaid through 47 monthly instalments of £649.35 and then a final instalment of £29,851. If Mr W made repayments in line with the credit agreement, he would need to repay a total of £76,220.45. The agreement has been terminated as Mr W fell into arrears. I've noted the legal action that has been started about the contract itself, and that it has been paused to allow the Financial Ombudsman to consider Mr W's complaints about the quality of the car.

Mr W has complained to Black Horse about the quality of the car. Black Horse hasn't upheld this complaint as it doesn't think the faults the car had were likely to be present or developing at the time of sale, and so the car was of satisfactory quality. Mr W didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Mr W's complaint. She said that there wasn't enough evidence to show that the problems Mr W had with the car were due to issues that were present, or developing, at the time of sale, they were more likely due to wear and tear. She also didn't think the car was of unsatisfactory quality.

Mr W didn't agree with the Investigator. He maintained that the vehicle was not fit for purpose and this was evidenced by the manufacturer recalling the vehicle. He also said the manufacturer is buying the cars back in other locations due to faults with them. He said a software update had restricted the charging of the battery to 75% of its capacity. The vehicle was undamaged and within the boundaries of average mileage in July 2023 when the problems started with it.

There was some further correspondence, but no new issues were raised. Because Mr W didn't agree, this matter has been passed to me to 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

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 to reach what I think is the right outcome.

The agreement in this case is a regulated personal contract purchase – so we can consider a complaint relating to it. Black Horse as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would 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. 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 car's history.

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 this.

Here, the car was acquired new. So, I think it's fair to say that a reasonable person would expect the level of quality to be higher than a second-hand, more road-worn car and that it could be used – free from defects – for a considerable period of time.

Mr W has complained about the quality of the car. Below is a summary of the issues complained about and the investigation and repair work that has been carried out. I have only provided a summary here, but I have looked at everything that has been provided.

- In November 2020, Mr W said there was water ingress via the tailgate and rear light. There isn't full detail about what was repaired here, but the dealership has confirmed a repair was made to the car under its warranty.
- In January 2023, the car failed its MOT due to a tyre fouling part of the vehicle. It had covered 34,683 miles at this point. The car passed the MOT shortly after this.
- In July 2023, the car was recalled due to safety concerns with the battery energy control module. As far as I can see there were no problems with this recall, but Mr W says the air conditioning was faulty when the car was returned to him.
- In September 2023, the car was recovered to a manufacturers garage as it was not charging correctly, the car had covered 46,380 miles at this time. Mr W was provided with a courtesy car.
- The garage investigated the car and found problems with the battery. The battery and other related parts were replaced over time, again mostly under warranty. Mr W contributed to some of the repairs and they were very delayed. The information I have, shows the car wasn't ready until April 2024.
- The garage also found that there was obvious damage to the car, again as far as I can see, the cause of this hasn't been investigated.

- It was confirmed there was no gas in the air conditioning system, and it was later found out that the car needs a new air conditioning compressor, Mr W has been offered a repair to this, if he contributes 40% of the cost.
- Mr W said that he no longer wanted the car in January 2024. He collected the car in April 2024 but there were still problems charging it and the car was returned to the garage. Mr W says he hasn't had proper use of the car since September 2023.

Mr W says he wants to return the car, but he was unable to do this at the end of the agreement as he did not have the car at the time. Black Horse says it tried to contact Mr W multiple times about this, but he didn't reply, and he has now lost the ability to return the car under the contract. I understand the agreement has now been terminated after falling into arrears. Whilst I've noted all of this I'm only considering the quality of the car here.

The garage has said that battery faults can occur suddenly. And if the fault was present at the time of supply Mr W wouldn't have been able to drive it more than 46,000 miles. So, the fault wouldn't have been present or developing at the point of sale.

The ongoing issue is that Mr W says he is expected to pay part of the costs of the repairs which he thinks is unfair. He now has a car he doesn't want and needs to repay the remaining amount due under the contract. He would like to return or reject the car with no further liability which he can't now do as the agreement is terminated.

Taking all the above into consideration it's clear that there was and most likely still is a fault with the car. It's well documented that the car has had battery, and battery charging problems. And there also seems to be a problem with the air conditioning system. The garage has taken steps to repair these either under warranty or at a reduced cost to Mr W.

Black Horse said the faults happened too far from the point of supply for them to have been present when supplied. I appreciate the problems with the car started to happen over three and a half years after Mr W got the car, and after he had driven it around 46,000 miles, but I need to consider whether the car was durable. If parts or systems of the car fail prematurely, this might indicate there was already a problem with the car when it was supplied.

Black Horse, and the garage, have said that the problems with the car were mainly due to a battery failure and these can happen suddenly and without warning. I've not seen that this wasn't the case here. Parts of cars can and do fail at times and this doesn't necessarily mean the car wasn't of satisfactory quality. And the problem with the air conditioning seems more likely to be due to ordinary wear and tear. The garage and Black Horse have attempted to repair these, with some contributions from Mr W, I think this is reasonable.

And I can't discount that the car seems to have been damaged at some point, whilst I don't have a lot of information about this, this does lead me to think that some of the problems with the car are not due to how it was manufactured, or that it wasn't durable. There is a possibility, if not a likelihood, that they could be due to how it was maintained or used.

I can see the repair to the car took much longer than it should, but as I'm not finding that the car was of unsatisfactory quality I don't think it would be reasonable to provide compensation for this.

So, I can't say it's likely that the problems Mr W had, and has, with the car were apparent or developing at the time the car was supplied to Mr W and I think the car has been relatively durable overall. So, I don't think it's reasonable to say that the car wasn't of satisfactory quality at the point of sale. And whilst the car breakdown was unfortunate, I don't think that Black Horse should be responsible for putting the faults with the car right or paying any compensation.

My final decision

For the reasons set out above, I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 April 2026.

Andy Burlinson
Ombudsman