

The complaint

Mr K complains that the car he acquired through Black Horse Limited (“BHL”) wasn’t of satisfactory quality. He wants to reject the car, cancel the credit agreement, and be refunded all his payments.

What happened

Mr K entered a hire purchase agreement in May 2023 to acquire a used car. The cash price of the car was £26,857, and after taking account of the advanced payment, the credit provided totalled £25,949. This was to be repaid over the 48-month term of the agreement. Mr K’s monthly rentals were £396.51, so if the agreement ran to its full term, the total repayable, taking into account the balloon payment, would be £32,939.97. At the time of acquisition, the car was nearly four years old and had been driven more than 27,000 miles.

Mr K told us:

- The car’s core function as an efficient hybrid has failed, and within the first few months he reported the car’s poor electric range to the manufacturer;
- the manufacturer’s workshop confirmed the mileage achieved which proved the battery was underperforming from the outset;
- the problem worsened over the next couple of years, and an independent diagnostic evidenced a fault code;
- BHL rejected his complaint on the basis that the fault had occurred 31 months after the car had been supplied, and it said the failure was simply normal consumable wear on a car of its age;
- BHL ignored the evidence from the manufacturer’s workshop from 2023 which proved a latent defect that would have been present at the point of supply;
- he wants to reject the car and terminate the agreement, with a full refund of his payments, less an amount for fair usage.

Mr K says that the defect has affected him financially and personally. He says he’s faced “*skyrocketing fuel costs*”, and he’s now paying for a technologically advanced vehicle that does not perform its core function.

BHL rejected this complaint. It said that because Mr K had acquired the car more than six months prior to the issue he complains of, he needed to provide evidence that any fault with the car was present or developing when it was supplied. It says in the absence of any evidence that the issues complained of were present or developing at the point of supply, it cannot uphold this complaint, and it won’t accept rejection of the car.

BHL said that Mr K had driven nearly 20,000 miles in the 31 months he’d had the car, and it didn’t deem Mr K’s complaint to be plausible. BHL noted the five MOTs undertaken since November 2022 and said that with the exception of an issue with the tyres in 2022, the car had passed every MOT without any advisories.

BHL told this Service that the diagnostic completed in July 2023 had a very different outcome to that claimed by Mr K. It says the garage associated with the manufacturer found

no fault with the car following an inspection and a road test; it actually confirmed things were ok. BHL explained that batteries deplete for a number of reasons, and there was no evidence to show there was a fault with the car that was present or developing at the point of supply.

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 said that given the time Mr K had been in possession of the car, and the mileage he'd driven, she'd seen no evidence that the fault complained of was present or developing at the point of supply.

Our Investigator noted that the job sheet from the workshop in July 2023 makes clear that no fault was identified, and in fact, the first evidence of any issue was in January 2026 when the diagnostic described the battery as an "*aged auxiliary battery*", and she concluded that in view of the car's age and the mileage driven, and in the absence of any evidence to the contrary, the fault with the battery was simply wear and tear.

Mr K disagreed and said the Investigator had "*misunderstood the evidence*" and "*applied the wrong standard of proof*". Mr K said the failure of the battery was not wear and tear.

Our Investigator looked again at the evidence, but said she was still of the view that this complaint should not be upheld. She said she'd seen no evidence of a fault prior to January 2026, and she said that the garage's reference to the matter as an "*aged auxiliary battery*" was persuasive enough for her to conclude the fault with the car was wear and tear.

Mr K disagrees so the complaint comes 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 agree with our investigator – I don't think this complaint should be upheld – and I'll explain why.

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 K 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 K was of satisfactory quality or not.

BHL supplied Mr K with a used car – it was nearly four years old and had already been driven more than 27,000 miles – so the price of the car was lower than it would've been if it had been supplied new. Because of this I think it's fair to say that a reasonable person would expect that parts of the car might've already suffered wear and tear. And there'd be a greater risk in the future that this car might need repairs and maintenance sooner than a car which wasn't as road-worn when supplied.

I don't think there's any dispute that Mr K has experienced problems with the car. But just because Mr K has had problems with the car, and things have gone wrong, it doesn't necessary follow that the car supplied to Mr K wasn't of satisfactory quality.

BHL would only be responsible for putting things right if I'm satisfied that the issues Mr K complains about now were present or developing when the car was supplied – that is to say, the car wasn't of satisfactory quality when Mr K acquired it in May 2023. And I've seen no evidence of any fault at this time or, indeed, shortly afterwards.

Mr K says he first experienced issues in July 2023, and a garage associated with the manufacturer undertook diagnostics. But the evidence from this time does *not* support the existence of any fault. The job sheet says "*Customer reported that mileage on Emode not good. Carry out tests all ok...*" and it goes on to confirm that an overnight test was completed, and it lists the mileage achieved. So the evidence from 2023 that I've seen indicates the car and its battery to be operating as expected. Moreover, I think if Mr K had been unhappy with the results of this diagnostic or of the conclusions reached, he would've taken further steps at this time, and I've seen no evidence that he did.

The next report of any fault with the car is in 2026, around 20,000 miles and 31 months after the car was supplied by BHL. Here the CRA is clear. If more than six months has elapsed since the car was supplied, as is the case here, then it's for the customer – Mr K – to provide evidence of the fault, and evidence that the fault was present or developing at the point the case was supplied, *or*, evidence that the component that has failed has not been suitably durable.

What I have not seen in this particular complaint is an *independent* engineer's report, that shows me that there's a fault with the battery and that this fault was present or developing when the car was supplied to Mr K; or that this car has not been durable. And although I understand the difficulty of his position, Mr K has simply not provided the evidence I would need to persuade me that the car supplied by BHL was not of satisfactory quality. Because of this, I can't hold BHL responsible for the problems Mr K now complains of.

I know Mr K will be disappointed with the outcome of his complaint, but I hope he understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 5 May 2026.

Andrew Macnamara
Ombudsman