

The complaint

Mr S complains Black Horse Limited (Black Horse) supplied him with a car that he believes wasn't of satisfactory quality at supply. He also complains he was told incorrect information before he entered into the agreement.

What happened

In September 2022, Mr S entered into a 60 month hire purchase agreement for a used car. The car's cash price was £15,510, it was around five years old and it had covered over 42,000 miles. He paid a deposit of £10,510 and the rest was financed via a loan. The monthly instalments were around £102. Mr S went on to settle the agreement in full in January 2023.

In March 2023, Mr S complained to Black Horse. He said when he purchased the car he was told the brake pad and discs were new. However during a recent service, it was discovered the rear brake discs were heavily corroded and there was excessive movement from the four upper suspension arms meaning these parts had to be replaced. They also had to complete a wheel alignment. He said he had to pay around £1,300 for the repairs and he believed Black Horse should reimburse him for the same.

He also expressed his concerns that the dealership hadn't correctly recorded his deposit amount that he paid towards the agreement and they led him to believe the car was fully up to date with its services but that wasn't the case.

Black Horse rejected the complaint. They said prior to the car being supplied to Mr S, the dealership had inspected it and carried out a number of repairs including the replacement of brake pads and discs. They concluded the car had been in Mr S' possession for over eight months and there was no evidence these issues were present at supply.

Unhappy with the response, he referred the complaint to our service. Our investigator recommended the complaint wasn't upheld. He said although he agreed there were faults with the brake discs and suspension, he believed this was due to wear and tear. He concluded the car was of satisfactory quality at supply. He also said he was satisfied the deposit amount was correctly outlined in the finance agreement and there was no evidence Mr S was mis-led about the car's service history.

Mr S disagreed and maintained his position. He provided evidence of screenshots of conversations between himself and the dealership and said he was led to believe the brake discs were new when he acquired the car and he wouldn't have expected it to be in such bad condition with corrosion after having travelled around 5,000 miles. As an agreement couldn't be reached, the complaint has been referred 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've decided not to uphold Mr S' complaint. I'll explain why.

Mr S acquired a car under a regulated credit agreement. Black Horse was the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply and the quality of the car.

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 – taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage. The quality of goods includes other things like fitness for purpose, appearance, freedom from minor defects, safety and durability.

In this case, Mr S acquired a car that was around five years old and had travelled over 42,000 miles. As this was a used car with considerable mileage and age, it's reasonable to expect parts may already have suffered substantial wear and tear when compared to a new car or one that is less travelled. There's a greater risk the car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

Based on the evidence presented to me which includes job cards, pictures and comments from the repair garage, it's evident there was an issue with the brake discs and suspension. However when reviewing this complaint, I need to consider whether those faults were present at supply and it meant the car wasn't of satisfactory quality. Having done so, I don't find the faults were present at supply.

I say this because I've seen the job card (May 2022) of the pre-delivery inspection and the repairs that was arranged by the dealership prior to Mr S acquiring the car. It outlines brake pads and two brake discs were replaced. It was recorded the car had travelled 42,146 miles at that point. By the time Mr S took possession of the car, it had travelled around 250 miles since those parts had been repaired. I don't consider the mileage to be a significant amount and the brakes pads and disc were as good as new. So I can understand why when Mr S said he wanted the brake pads and discs changed, the dealership said *"pads/disc have already been changed on the vehicle"*. This would appear to be in reference to the repairs pre-delivery. I'm not persuaded the dealership gave incorrect or mis-leading information about this.

The fault with the brakes and suspension were discovered during the car's service in March 2023 which I note is several months after Mr S acquired the car and by that point, he had travelled around 5,000 miles.

As part of their investigation, Black Horse spoke to the garage who completed the car's service. As they were the ones to have identified and repaired the faults, I find it's reasonable to apply weight to their comments. In summary, they said there was heavy corrosion on the rear discs and it's a good idea to change the pads at the same time. The four upper control arms of the suspension had to be replaced because the bushes were split and they can't be individually replaced, meaning the whole arm needed to be changed. They confirmed these faults was normal wear and tear for a car of that age and mileage.

I also need to bear in mind that just because corrosion is present on parts of a car that doesn't necessarily mean it's of unsatisfactory quality. It's not unreasonable to expect a used car of this age and mileage to show signs of corrosion especially on brake discs which are

heavily used and serviceable parts of the car. There's nothing to suggest that the functionality or safety of the car has been affected or it's structurally unsound.

In light of the above, I have insufficient evidence for me to reasonably say the above faults were present or developing at supply. On balance, I find the issues were a result of wear and tear through use of the car. Therefore I'm satisfied the car was of satisfactory quality at supply. So I won't be saying Black Horse needs to reimburse Mr S for the cost of the repairs.

Other

Like the investigator, I'm satisfied the finance agreement accurately reflects the deposit paid. I can see Mr S has electronically signed this agreement so I'm satisfied he was made aware of the same.

I note Mr S' comments that he was led to believe the car was up to date with its services. For obvious reasons, I wasn't party to those conversations but based on the screenshots of conversations between Mr S and the dealership, there isn't enough evidence for me to be persuaded he was told the car was up to date with its service or it came with a full service history.

Summary

Taking everything into account, I'm satisfied the car was of satisfactory quality at supply and Mr S wasn't told incorrect information about it. I appreciate Mr S will be disappointed by this outcome but I hope he accepts my reasons for doing so.

My final decision

For the reasons set out above, I've decided not to uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 March 2024.

Simona Reese
Ombudsman