

The complaint

Mr O complains about the quality of a car that was supplied to him under a hire purchase agreement with Black Horse Limited trading as Jaguar Financial Services ("Black Horse").

What happened

In April 2019 Mr O took out a hire purchase agreement with Black Horse for a used car. This car was three years old and had travelled approximately 13,000 miles. The cash price was £20,500. The terms of the finance agreement required Mr O to pay a deposit of £2,500 followed by 48 monthly instalments of £286.63. But Mr O had the option of returning the car before a final repayment of £9,360 became due in May 2023.

In May 2023 Mr O complained to Black Horse that he'd had problems with the car ever since he got it, even though it had always been serviced and maintained at one of the manufacturer's garages. He said he was still having problems with various warnings coming on, which he believed were linked to the previous repairs. Mr O provided invoices for repair work he'd had carried out, which I'll summarise:

Date	Description of problems / work carried out	Mileage	Cost
30/12/2020	Requires engine oil pressure temperature sensor.	59,638	-
15/01/2021	Oil level low on dash – but level is fine. Smoke appearing also – excess engine noise. Advise replace timing chains and guides. Piston oil cooling jet – advise replace and retest.	60,354	£315
04/06/2021	EML on the dash. Requires: <ul style="list-style-type: none"> turbo replacement upper and lower timing chain replacement key fob battery replacement timing chains guide sprocket oil filter replacement DPF regen boost pipe from intercooler to the turbo replacement of exhaust manifold gaskets and bolts. 	68,025	£3,000
18/06/2021	Oil leaking from engine since previous repair. Replaced upper timing chain tensioner.	68,030	-
31/08/2021	Oil light on dash – also other lights on dash.	75,803	£385.80

	Vehicle came to a complete stop. Requires new tensioner and belt.		
29/11/2021	Check into engine that won't start. Requires new: <ul style="list-style-type: none"> • engine, torque converter, injectors • thermostat, water pump • coolant pipe, antifreeze • nuts, bolts, gaskets. 	87,001	£5,381.41
04/04/2023	Investigate customer reported concern: engine management light on. Supply and fit new smart key fob.	115,453	-

Black Horse told us that they collected the car on 31 May 2023 because Mr O chose to return it before the final repayment became due. They said the odometer was showing 119,365 miles. I won't be discussing the amount Black Horse charged Mr O for excess mileage, because he didn't mention that in the complaint he raised with them.

The following day Black Horse issued their final response to Mr O, saying they hadn't upheld his complaint because they hadn't seen any evidence to suggest they were liable for the problems he'd told them about. Dissatisfied, Mr O brought his complaint to us.

After reviewing the evidence, our investigator said she wasn't persuaded that the car hadn't been of satisfactory quality when Black Horse supplied it to Mr O. She thought the problems he'd experienced were due to normal wear and tear.

Mr O disagreed. He stressed that he'd had to have the timing chain replaced - costing him around £5,000. And that the car broke down again – at which point the manufacturer's garage confirmed there was a manufacturing defect. He said he didn't believe replacing the engine had fully resolved the underlying problems with the car.

Mr O asked for an ombudsman to review his case again, so it's come to me for 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.

Mr O's complaint is about a car supplied under a hire purchase agreement. Entering into consumer credit contracts like this as a lender is a regulated activity. So, I'm satisfied I can look into this complaint.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there's an implied term that the quality of the goods is satisfactory.

The CRA explains that things like fitness for purpose and durability can be aspects of the quality of goods. The standard that's applied is whether a reasonable person would consider the quality of the goods to be satisfactory, taking into account the way they were described, the price and all the other relevant circumstances.

In this case, I bear in mind that the car was three years old and had covered around 13,000 miles when it was supplied to Mr O. I don't think a buyer would expect a three year-old car to be in perfect condition. But I think they'd expect to be able to drive it for a reasonable amount of time without major issues.

It isn't disputed that Mr O's had problems with the car. He's provided evidence showing he's spent a significant amount of money on repairs. But Black Horse will only be liable for the cost of those repairs if they were due to the car not having been of satisfactory quality when they supplied it.

I can see Mr O feels strongly that the problems he's experienced were due to an underlying issue with the car. He's told us the manufacturer's garage found it had a manufacturing defect. But I haven't seen any supporting evidence of this.

The evidence I've seen shows the car was around four and a half years old and had covered around 60,000 miles before Mr O had any problems with it. I do think it's reasonable to expect a car of that age and mileage to need some parts to be replaced due to wear and tear.

I appreciate Mr O didn't expect the car to need new timing chains after 68,000 miles, and a new engine after 87,000 miles. I'd generally expect a car's engine to last longer than that if it's been serviced and maintained in accordance with the manufacturer's recommendations.

The manufacturer's recommended service interval for this car is 24 months or 21,000 miles. The servicing guidelines stress that this represents the maximum time and distance that should be allowed between servicing – and that driving style and conditions may mean more frequent servicing is needed.

I've reviewed the evidence Mr O has provided about the servicing he's had carried out since he got the car, as well as the servicing records that are available online. It was serviced in June 2018, when it was recorded to have covered 12,168 miles. The supplying dealer also carried out a "preparation for sale" service shortly before the car was supplied to Mr O, with a recorded mileage of 12,273.

By the time of its next service in June 2020, the car had travelled 48,450 miles. This means it had covered more than 36,000 miles without servicing, so it wasn't maintained in line with the manufacturer's recommendations. Regular servicing ensures the car's parts are properly lubricated and working effectively. If a car has been driven for an extended period of time without servicing, I'd expect the engine and other parts to have a shorter lifespan.

Mr O hasn't told us what the car was used for. The invoice from the manufacturer's garage dated 15 January 2021 states: *"Ext warranty on hold – no claim will be authorised due to vehicle being used as private hire"*. I don't think it's necessary for me to decide what it was used for. But I can see it covered a relatively high mileage in the time Mr O had it. I think it's reasonable to expect a car that covers a lot of mileage to need more frequent servicing and maintenance.

I'm satisfied that Mr O had more than 106,000 miles' use of this car over the 48 months it was in his possession. Although he had problems with it during that time, I've seen nothing that persuades me this was because there was an underlying issue with the car that meant it wasn't of satisfactory quality when it was supplied. I find it most likely that the problems were due to normal wear and deterioration.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 13 January 2024.

Corinne Brown
Ombudsman