

The complaint

Mr S is unhappy that a car supplied to him under a personal contract purchase agreement with CA Auto Finance Ltd ('CAF') was of an unsatisfactory quality.

Mr S has been represented during the claim and complaint process by Ms R. For ease of reference, I will refer to any comments made, or any action taken, by either Mr S or Ms R as "Mr S" throughout the decision.

What happened

In May 2023, Mr S was supplied with a used car through a personal contract purchase agreement with CAF. He paid an advance payment of £13,000 and the agreement was for £42,940 over 49 months; with 48 monthly payments of £633.92 and a final payment of £28,644. At the time of supply, the car was approaching three years old, and had done 30,128 miles (according to the MOT record for 10 May 2023).

In June 2023, Mr S advised the supplying dealership there was an issue with the seat belt indicator. The car was inspected, but no fault was found. Unhappy with this, Mr S complained to CAF, asking to be able to reject the car. As no fault with the car had been found, CAF didn't uphold Mr S's complaint. So, he brought it to the Financial Ombudsman Service for investigation.

Our investigator said that the car was inspected on both 15 June 2023 and 9 January 2024, and neither inspection had found an issue with the seat belt indicator. The investigator said the second inspection had found an issue with missing load compartment restraining loops, but as this wasn't something Mr S had raised with CAF, it wasn't something we were able to consider as part of this complaint.

As such, the investigator didn't agree the car was faulty when it was supplied to Mr S, and they didn't think Mr S needed to do anything more.

Mr S didn't agree with the investigator. He provided extensive comments stating that the investigator had only dealt with the issue with the seat belt indicator and had failed to address the additional faults with the car, especially those identified in the report dated 9 January 2024. The investigator explained that these issues hadn't been raised in either Mr S's initial complaint to CAF, nor had they been raised in his initial complaint to us.

The investigator went on to explain that we were unable to consider a complaint where the financial business hadn't had the opportunity to deal with it, and, after further extensive communication, Mr S raised these additional complaints under a separate reference number, and these are being dealt with separately.

However, Mr S remained unhappy with the investigator's opinion on the seat belt indicator fault, and 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr S was supplied with a car under a personal contract purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, CAF are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless CAF can show otherwise. So, if I thought the car was faulty when Mr S took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask CAF to put this right.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. I've seen a copy of the complaint letter Mr S sent to CAF. This letter is clear that he was only raising the issue of a faulty seat belt indicator. No other issues, for example the load compartment restraining loops, were raised.

Our rules only allow us to consider complaints that have been raised to a financial business, and where that business has had the opportunity to deal with that complaint. As I've said, Mr S's complaint didn't raise anything but the issue with the seat belt indicator, and his other issues have only recently been raised with CAF. What's more, these other issues are currently being considered under a separate reference number.

As such, my decision will only focus on the seatbelt indicator issue and will not address any other issues Mr S may have with the car.

I've seen a copy of a servicing invoice dated 31 May 2022, which included a vehicle health check; the fault diagnosis report dated 15 June 2023, which also included a vehicle health check; and an independent engineer's report dated 9 January 2024. While the independent engineer's report noted the load compartment restraining loops were originally missing (making it impossible to use a load space net), a potential oil leak, an ECU fault code, and an issue with the weather seals; none of these documents made any reference to an issue with the seat belt indicator.

In fact, the diagnosis report of 15 June 2023 specifically mentioned that a seat belt indicator fault couldn't be found. What's more, in a conversation with our investigator on 15 February

2024, the independent engineer explained that he'd not been able to replicate the seat belt indicator fault.

Based on what I've seen, I'm satisfied there is no evidence of a seat belt indicator fault with the car supplied to Mr S. As such, and while I appreciate this will come as a disappointment to Mr S, I can't say the car was of an unsatisfactory quality when it was supplied to Mr S, and I won't be asking CAF to do anything more.

My final decision

For the reasons explained, I don't uphold Mr S's complaint about CA Auto Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 October 2024.

Andrew Burford
Ombudsman