

The complaint

Mrs M complains about the quality of the car she acquired through a Hire Purchase agreement taken out with CA AUTO FINANCE UK LTD in June 2023.

What happened

In June 2023, Mrs M took out a hire purchase agreement to buy a used car. She says she found multiple issues with it after purchasing the car. And she wants a refund and to be able to reject the car.

Mrs M told us:

- When the car first arrived it was apparent it had been damaged in transit, but the dealer committed to undertake repairs – something that has yet to happen;
- in July 2023 she took the car back to the dealership because of a noise she'd noticed, particularly when the car was reversing, and she asked it to look at the clutch at the same time, but the inspection was inconclusive;
- on 8 August she returned to the dealership because of the same noise. A broken coil spring was identified, and she was told she couldn't drive the car for safety reasons;
- she asked to reject the car, but was told she couldn't, and that the dealership would make the necessary repairs;
- the replacement part wasn't available for about six weeks, and it was during this repair in mid-September that a further issue was identified, and she had to wait again for the replacement part to arrive;
- although the dealership offered her a courtesy car; it wasn't possible for her to collect it – with a new-born baby and another young child, taking a taxi for such a long journey simply wasn't possible;
- CA AUTO hasn't listened to her whilst it's been sorting out her complaint and she feels she's been treated unfairly.

CA AUTO rejected this complaint. It said the dealership was of the opinion that the fault – a broken spring – occurred after the point of supply, as it wouldn't have been possible or safe to drive it. And it explained that these sorts of issues usually arise when driver hits a pothole. It said that the replacement part required to carry out the repair had been on *backorder* for quite some time, and this caused the delay to the eventual repair.

It explained that on this occasion the dealership had agreed to cover the cost of repair at no cost to Mrs M, and it was satisfied that the repair had been successful, so a rejection of the car would not be the appropriate resolution.

Some time later, CA AUTO acknowledged that Mrs M had not been kept mobile while she was without her car, and it offered her £313.30 – one monthly payment – in recognition of this.

Our investigator looked at this complaint and said she thought it should be partially upheld; she thought CA AUTO had dealt fairly with some aspects of Mrs M's complaint, but in other areas, she thought it should have done more.

She explained the Consumer Rights Act 2015 and the way in which she'd evaluated all the evidence from both Mrs M and CA AUTO. She concluded that as the repair of the broken spring and top mount appeared to have been successful – there were no ongoing mechanical issues – repair of the car was a fairer remedy to this complaint than either rejection or replacement.

But she noted the outstanding matter of the cosmetic damage to the car – dent on the passenger side door and the scratches to the mirror present at the point the car was supplied – and that despite a commitment to correct this, CA AUTO had failed to do so. She said this wasn't reasonable. And she addressed the distress and inconvenience that this whole affair had caused Mrs M.

Our investigator asked CA AUTO to pay Mrs M some compensation; complete the work to deal with the cosmetic damage; and reimburse Mrs M for any time when she was not kept mobile.

CA AUTO accepted our investigators recommendations, but Mrs M did not confirm that she did, 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 considered all the evidence, I've reached the same conclusion as our investigator and for broadly the same reasons, I think this complaint should be upheld and I'll explain why.

As the hire purchase agreement entered into by Mrs M is a regulated consumer credit agreement this Service is able to consider complaints relating to it. CA AUTO is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

In this particular case, there's no real disagreement between the parties about the faults with the car or the work that was undertaken to carry out repairs. They may disagree about when the coil spring and suspension issues arose, but the fact remains that the repairs were carried out at no cost to Mrs M and without further issues. So, because of this, I don't need to make any findings about whether the car was of satisfactory quality when supplied, or whether the repair was successful.

The parties do not agree entirely on the redress for this complaint, so this is the focus of my decision.

CA AUTO says it offered Mrs M a courtesy car, but she declined it, and although Mrs M has explained why it wasn't practical for her to take a taxi and collect a courtesy car, CA AUTO initially said to us that had it been made aware of this, the courtesy car could have been delivered to her. But I don't think this makes a difference in this particular case. Simply, Mrs M wasn't kept mobile. She had no use of her own car while parts were awaited, and she didn't have access to a courtesy car. And none of this was her fault.

When this Service upholds a complaint such as this one, we set out in detail the redress that we believe brings the complaint to a satisfactory conclusion. I've considered very carefully what our investigator recommended, and I'm satisfied that this is the fair and reasonable way to settle this complaint, so, I'm not going to ask CA AUTO to do anything more.

Putting things right

I now require CA AUTO FINANCE UK LTD to compensate Mrs M, as follows:

- Pay Mrs M £200 in recognition of the distress and inconvenience she's been caused in waiting for the promised repairs to the bodywork that weren't completed in a timely manner.
- Arrange for and cover the cost of the repairs to the bodywork – the *cosmetic damage* – these repairs should be carried out within a reasonable timescale and without significant inconvenience to Mrs M.
- Pay a refund of any rentals during the period of the bodywork repair from the date of the repair to the date of collection - if Mrs M is not kept mobile via a suitable courtesy car.
- Pay a refund of rentals to cover the loss of use of her car from 8 August to 20 October 2023 – less the £313.13 that I understand may already have been paid.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement*

*HM Revenue and Customs may require tax to be deducted from this interest. A certificate showing how much tax has been taken off must be provided if requested.

My final decision

My final decision is that I uphold this complaint and direct CA AUTO FINANCE UK LTD to pay redress as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 20 December 2024.

Andrew Macnamara
Ombudsman