

## **The complaint**

Mr D complains about a car he acquired with credit provided by CA Auto Finance UK Ltd.

## **What happened**

In February 2023 Mr D acquired a used car under a regulated personal contract purchase agreement with CA Auto Finance ("CAAF"). The car was five years old, its cash price was £19,059, and its mileage was 78,741 miles. It had passed its MOT test with no advisories in December 2022.

In April and in August 2023, the car broke down and had to be towed to the retailer's garage.

In September that year, Mr D complained to CAAF. He said that the retailer's attempt at repairing the car in April had been unsuccessful, and it did not appear to have done any work in August. The turbo had failed, and there were also problems with the steering and the brakes. As he was unable to drive the car, and he had lost confidence in the retailer's ability or inclination to repair it, he asked to reject it. He also complained that the brakes had failed catastrophically on the courtesy car he had been provided with, and so he'd had to stop driving it. And he said that he had not been provided with a V5C, leaving him unable to tax the car.

CAAF did not uphold his complaint. It said that the turbo had been replaced and reconditioned, and the car was not returned to the garage because of that, but because of an issue with the timing chain. This had been repaired, and Mr D now had a working car again. CAAF did not accept liability for the courtesy car, but as a gesture of good will it offered him a refund of one monthly payment. It did not address the complaint about the missing V5C.

Being dissatisfied with that response, Mr D brought this complaint to our service. An independent inspection was arranged, and several major faults were diagnosed.

Our investigator accepted the findings of the independent garage and accordingly she upheld this complaint. She said the evidence did not support the retailer's claim that it had repaired the car. She thought it was likely that the problems in August were not new, but were the recurrence of the original problems in April. Considering the age and mileage of the car at the point of sale, and that Mr D had only added another 10,000 miles to the mileage, she thought it was likely that the car had not been of satisfactory quality at the point of sale. Consequently, CAAF was liable.

Since there had already been an attempt (or two) to repair the car and this had not been successful, the investigator thought it was fair to let Mr D reject the car. Taking into account that the courtesy car had broken down as well, she recommended that CAAF pay Mr D £250 for his distress and inconvenience. She said that CAAF should end the agreement with nothing further to pay; collect the car at no cost to Mr D; refund his deposit; refund the cost of the independent inspection and some other costs he'd incurred in having the car transported between his home, the dealership, and the independent garage; refund half of his April 2023 monthly payment; refund all of his monthly payments since August 2023; pay

interest on the refunds at the rate of 8% a year; and remove from his credit file any adverse information relating to the agreement.

Neither party responded to the investigator's opinion, so the case was referred for an ombudsman's 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 uphold this complaint, for the same reasons as the investigator. There is unchallenged evidence from an independent garage of several serious faults with the car, dated November 2023. Those faults include the turbo, so I do not accept that the retailer successfully repaired it, because it is unlikely that it would have failed again so soon. The problem with the turbo originally appeared less than six months of Mr D collecting the vehicle, and so there is a presumption that the fault was present at that time, unless CAAF can show otherwise; it has not done so. So I agree that the car was not of satisfactory quality at the point of sale.

The investigator's proposed redress is in line with what our service would typically award, and so I agree with and gratefully adopt it.

### **My final decision**

My decision is that I uphold this complaint. I order CA Auto Finance UK Ltd to:

- End the agreement with nothing further to pay;
- Remove from Mr D's credit file any adverse information relating to the agreement;
- Collect the car at no cost to Mr D and at a mutually convenient time;
- Refund his deposit;
- Refund the cost of the independent inspection and Mr D's other costs, which in total come to £240, made up as follows:
  - £60 on 16 April 2023;
  - £60 on 25 September 2023;
  - £120 on 15 November 2023;
- Refund half of his April 2023 monthly payment;
- Refund all of his monthly payments made since August 2023;
- Pay simple interest on all of the above refunds at the rate of 8% a year from the respective dates of payment to the date of settlement; and
- Pay Mr D £250 for his trouble.

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

Richard Wood  
**Ombudsman**