

The complaint

Mr D complains about the quality of a car he has been financing through an agreement with CA AUTO FINANCE UK LTD ('CA Auto').

What happened

In October 2023, Mr D entered into a hire purchase agreement for a used car. The car developed issues with the turbo in January 2024. Mr D contacted the supplying garage who advised him to go through the warranty company. The warranty company advised of further issues with the car. Mr D returned to the supplying garage, but they didn't accept the repairs.

Mr D complained to CA Auto, and they upheld his complaint. They said they would refund the costs of the diagnostics and that they would repair the car at no cost to Mr D. Mr D has since voluntarily terminated the agreement and returned the car.

Mr D referred his complaint to this service and our investigator agreed that the car had been supplied in an unsatisfactory condition. He thought CA Auto should refund some money to reflect the lack of use Mr D had from the car, pay him £250 in compensation and refund his diagnostic charges. But the investigator didn't think CA Auto were unreasonable not to allow Mr D to reject the vehicle.

Mr D disagreed. He said he should have been allowed to reject the car as there was a safety issue with the suspension that had clearly been present when the car was supplied to him but that he hadn't, and couldn't have been, aware of until later. He asked for a final decision by an ombudsman.

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.

I know it will disappoint Mr D, but I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr D acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then CA Auto, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is

satisfactory if they 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.

There's no dispute that this car was supplied in an unsatisfactory condition. CA Auto accepted responsibility for the faults in their final response of May 2024. I'd agree that the evidence suggests the car had faults developing and present at the point of supply.

The relevant legislation gives a consumer the short term right to reject goods if there is a fault with them that makes them of unsatisfactory quality and if the consumer exercises that right within 30 days. Mr D says he couldn't have known about the suspension problem, but the relevant legislation makes no provision for that. I don't, therefore, think CA Auto were unreasonable to offer to repair the car.

The relevant legislation may have allowed Mr D to reject the car if there was an unreasonable delay in repairing it. While there was a delay here, I don't think it was unreasonable. The business was waiting for parts to be delivered and Mr D was able to use the car, although I understand his use will have been impaired by the problems he was experiencing. In those circumstances, CA Auto should refund some money to him to reflect that lack of use. Having considered the evidence, I think 10% of three monthly instalments is sufficient.

Mr D has experienced some distress and inconvenience here. I've read about the impact on his mental health and his concerns the turbo would explode. In the circumstances, I think CA Auto should pay him £250 in compensation.

It's not fair for Mr D to have had to pay to have faults diagnosed. If he can provide receipts for any diagnostic reports he commissioned, CA Auto should refund the costs, with interest as Mr D will have been deprived of the money.

My final decision

For the reasons I've given above, I uphold this complaint and tell CA AUTO FINANCE UK LTD to:

- Refund 10% of three monthly finance instalments in respect of the impaired use Mr D had from the car.
- Refund the costs of any diagnostic reports Mr D can evidence having paid.
- Add 8% simple interest per year to the refunds from the date of payment to the date of settlement.
- Pay Mr D £250 to compensate him for the distress and inconvenience caused.
- Remove any adverse information they may have reported to Mr D's credit file in relation to this issue.

*If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 December 2024.

Phillip McMahon
Ombudsman