

The complaint

Mr H complains that the car he acquired through a hire purchase agreement with CA AUTO FINANCE UK LTD ("CA AUTO") wasn't of satisfactory quality. He wants to reject the car.

What happened

Mr H entered a hire purchase agreement in February 2024 to acquire a used car. At the time of the acquisition, the car was around five years old and had been driven around 57,000 miles. Mr H told us:

- the car was supplied with a mileage discrepancy and no service history;
- there were issues with the brake pads and the seat – a poor upholstery repair;
- he got in touch with the selling dealership, without success, so he then contacted CA AUTO and it sent an inspector to assess the car;
- CA AUTO agreed to fix the issues with the seats and pay him £100 in compensation, but it said the issue with the brake pads was wear and tear and the responsibility of servicing them fell to him;
- he's unhappy with his experience and wants to hand the car back.

CA AUTO partially uphold this complaint. It apologised for the issues Mr H had experienced and the inconvenience this would've caused. And it explained that in accordance with the Consumer Rights Act 2015, it was entitled to attempt a repair.

It confirmed it had instructed an independent inspection of the car, following which it agreed that it would be responsible for the cost of repairing the damage to the seat; it would reimburse Mr H's invoice for repair.

It went on to explain that the brake pads were a serviceable item, and that Mr H was responsible for any costs in respect of them. It acknowledged the frustration experienced by Mr H and it offered a goodwill gesture of £100.

Finally, CA AUTO confirmed that any discrepancy in the mileage – it was around 250 miles – would have no effect on the terms of finance under the hire purchase agreement or Mr H's use of the car.

Our investigator looked at this complaint and said initially that she didn't think it should be upheld. She explained the relevance of the Consumer Rights Act 2015 in this particular case, and said he was persuaded by the contents of the independent report; the issue with the brake pads was simply a result of wear and tear and was something that Mr H was responsible for. And although she accepted that there'd been a poor repair to the car seat – something that CA AUTO was responsible for – she said its proposed resolution was what she'd expect it to do.

Mr H disagreed and had a conversation with our investigator to understand why she'd not recommended a rejection of the car as the most appropriate solution in this particular case. Following this conversation, this Service closed this complaint in September 2024 as both

parties were in agreement that the proposed resolution put forward by CA AUTO was fair and reasonable.

Nearly three months later, Mr H contacted this Service. He told us that despite both parties agreeing on how the complaint should be resolved, CA AUTO had not been in touch with him to arrange settlement; payment for the repair of the seat or the payment of £100 in goodwill.

Our investigator contacted CA AUTO a number of times, both via email and by telephone to no avail. And although she was able to make contact on one occasion, and it promised a call-back, this never materialised. It seems to have simply disengaged on this particular case.

Because of this, 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.

As the hire purchase agreement entered into by Mr H 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.

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. This says under a contract to supply goods, the supplier – CA AUTO in this case – has a responsibility to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. In this case, I would consider relevant factors to include, amongst others, the car's age, price, description and mileage.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied. But, if the fault is identified after the first six months, then it's for Mr H to prove the fault was present when he first acquired it.

The independent inspection noted *"The passenger side front seat at some point in its history has had a SMART repair which has been carried out very poorly causing the upholstery around the repair to melt, the upholstery is rough and sticky to touch"*. And both parties accepted that the fair way to settle this complaint is to repair the seat upholstery. CA AUTO agreed to reimburse the cost of this repair or pay Mr H following receipt of an invoice for repair. Because of this, I don't need to make any findings about whether the car was of satisfactory quality when supplied.

But the redress offered by CA AUTO in its final response has not been made. And although our investigator said that this repair together with £100 goodwill payment was fair and reasonable; and was accepted by both parties, nothing seems to have been progressed. So, this is the focus of this decision.

Taking everything in the round, I'm satisfied that the redress offered by CA AUTO and

recommended by our investigator is both fair and reasonable in the circumstances of this complaint, and I'm going to direct CA AUTO to make this payment.

Putting things right

I'm directing CA AUTO FINANCE UK LTD to make a payment to Mr H in the sum previously offered as a gesture of goodwill - £100. And I'm further directing it reimburse Mr H upon receipt of an invoice or receipt for repairs to the seat.

My final decision

My final decision is that I uphold this complaint. If it has not already done so, I direct CA AUTO FINANCE UK LTD to pay redress as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 January 2025.

Andrew Macnamara
Ombudsman