

## **The complaint**

Ms J complains that a car that was supplied to her under a finance agreement with CA Auto Finance UK Limited wasn't of satisfactory quality. Her partner is also involved in her complaint.

## **What happened**

A used car was supplied to Ms J under a finance agreement with CA Auto Finance in February 2024. The price of the car was £24,795, Ms J made an advance payment of £3,800 and she agreed to make 43 months payments of £264.99 and a final payment of £16,948 to CA Auto Finance. She says that there were issues with the car soon after it was supplied to her and that there was a failed attempt to repair the car in July 2024. She wrote to CA Auto Finance in August 2024 and said that she was rejecting the car and wanted a full refund and payment of other losses that she'd incurred.

CA Auto Finance said that the car was being repaired under warranty at no cost to Ms J and that, once it was repaired, it could look at compensation for the time that she'd been without the car. Ms J wasn't satisfied with its response so complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, said that CA Auto Finance had exercised its right under the Consumer Rights Act 2015 to have the car repaired and it was ready for collection. He recommended that CA Auto Finance should pay £1,032 to Ms J to reimburse her for a diagnostic invoice.

The car was returned to Ms J in November 2024 but she says that there were faults with it. The investigator said that Ms J wanted to reject the car as the repair had failed and he recommended that CA Auto Finance should: end the agreement and collect the car; return the deposit paid of £3,800 (and also the £500 holding deposit that Ms J said that she'd paid if it wasn't in the £3,800); refund 30% of repayments made by Ms J from 25 June 2024 and the cost of the diagnostic check of £1,032, with interest; and pay Ms J £300 for the distress and inconvenience caused.

Ms J accepted the investigator's recommendation but CA Auto Finance has asked for this complaint to be considered by an ombudsman. It says that the fault isn't due to the HV battery but is due to a voltage leak to the rear drive motor and that the dealer says that this is not the same issue. Ms J took the car for another diagnostic check in February 2025 and 13 issues with the car were identified. Ms J says that she paid £54 for that check.

## **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.

CA Auto Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Ms J. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Ms J was about four years old, had been driven for more than 51,000 miles and had a price of £24,795. Satisfactory quality

also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

Ms J's partner took the car to a manufacturer's dealer on 25 June 2024 and issues with the car were identified. The car was repaired at a total cost to Ms J of £1,032. Ms J says that she submitted a complaint form to CA Auto Finance and asked if she could cancel the agreement and have a refund of her deposit. The car was taken to a specialist garage and CA Auto Finance told Ms J that it was being repaired under warranty at no cost to her and that, once it was repaired, it could look at compensation for the time that she'd been without the car.

Ms J sent an e-mail to the garage in September 2024 and asked for confirmation that the repair was going ahead and the timeframe for repair and for a summary of the issues with the car. The car was returned to Ms J in November 2024 but she says that there are still faults with it. CA Auto Finance says that the fault isn't due to the HV battery but is due to a voltage leak to the rear drive motor and that the dealer says that this is not the same issue. Ms J took the car for another diagnostic check in February 2025 and 13 issues with the car were identified.

The car was supplied to Ms J in February 2024 and she's described issues with it that she says started soon afterwards. She contacted the dealer and a manufacturer's dealer but she says that the soonest that the car could be seen at the manufacturer's dealer was 25 June so it was booked in for repairs. There doesn't seem to be any dispute that faults with the car were then found and the car wasn't returned to Ms J until November 2024, nearly five months later, and Ms J has provided evidence to show that there are still issues with the car.

I consider that the issues with the car caused it not to have been of satisfactory quality when it was supplied to Ms J. Repairs have been made to the car but it continues to be faulty and I'm not persuaded that there's enough evidence to show that the faults are new faults which aren't related to the faults that were present when the car went to the manufacturer's dealer in June 2024 or that it would now be fair or reasonable for the car to be repaired again. I find that it would be fair and reasonable in these circumstances for CA Auto Finance to allow Ms J to reject the car and to take the actions described below.

## Putting things right

I find that CA Auto Finance should end the finance agreement and arrange for the car to be collected from Ms J – both at no cost to her. The finance agreement shows that Ms J made an advance payment of £3,800 and I find that CA Auto Finance should refund that advance payment to her, with interest. Ms J says that she paid a holding deposit of £500 but doesn't know whether or not it's included in the £3,800. I consider it to be more likely than not that it was included in that amount but, if not, I find that CA Auto Finance should also refund the holding deposit to Ms J, with interest.

The investigator said: *"Prior to the car entering the garage in June 2024 Ms J had limited use of the car due to its inherent problems. She only completed some 2,000 miles in that time. Whilst she did not have full enjoyment of the car, she is prepared to pay the full number of rentals for that time, which I think is very fair. From the 25 June 2024 up until the car was returned Ms J had use of a courtesy car which was far inferior to the car she had contracted to pay for. In light of this Ms J is willing to accept a 30% refund of premiums paid in that time. Which I also think is fair and reasonable"*. Ms J accepted the investigator's recommendation that CA Auto Finance should refund 30% of repayments made by Ms J from 25 June 2024 and I find that to be fair and reasonable.

Ms J paid £1,032 to the manufacturer's dealer in June 2024 and also paid £54 for diagnostic tests in February 2025. I find that it would be fair and reasonable for CA Auto Finance to reimburse Ms J for those amounts, with interest.

These events have clearly caused distress and inconvenience for Ms J. The investigator recommended that CA Auto Finance should pay £300 to Ms J to compensate her for that distress and inconvenience. I find that to be fair and reasonable.

## My final decision

My decision is that I uphold Ms J's complaint and I order CA Auto Finance UK Limited to:

1. End the finance agreement and arrange for the car to be collected from Ms J – both at no cost to her.
2. Refund to Miss C the advance payment that she made for the car (and, if it isn't included in the advance payment, the holding deposit that she paid).
3. Refund to Miss C 30% of the monthly payments that she's made under the agreement for the period from 25 June 2024.
4. Pay £1,032 and £54 to Ms J to reimburse her for the costs that she's incurred.
5. Pay interest on the amounts at 2, 3 and 4 above at an annual rate of 8% simple from the date of each payment to the date of settlement.
6. Pay £300 to Ms J to compensate her for the distress and inconvenience that she's been caused.

HM Revenue & Customs requires CA Auto Finance to deduct tax from the interest payment referred to above. CA Auto Finance must give Ms J a certificate showing how much tax it's deducted if she asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 10 March 2025.

Jarrold Hastings  
**Ombudsman**