DRN-5275188

The complaint

Miss B complains that a car acquired under a hire purchase agreement with CA AUTO FINANCE UK LTD (CA AUTO) wasn't of satisfactory quality.

What happened

In September 2024 Miss B was supplied with a used car through a hire purchase agreement with CA AUTO. The car was about three years old and had covered approximately 61,000 miles when the agreement started. The agreement was for 60 months, and the cash price was £12,348.

Soon after acquiring the car Miss B got in touch with CA AUTO and explained there was coolant leaking from the vehicle with concerns that it is mixing with the oil and the bonnet latch is broken.

The supplying dealership investigated Miss B's concerns and having carried out two road tests it said it couldn't find the faults Miss B complained of. Miss B explained she wasn't satisfied with its findings, so CA AUTO arranged for an independent inspection of the car to take place. The inspection concluded the fault with the bonnet latch was present but other than this it couldn't replicate the faults Miss B complained of.

CA AUTO issued its final response letter and didn't uphold the complaint. It accepted the bonnet latch was broken and offered to contribute £100 towards the repair.

The complaint was referred to our Service, but our Investigator also didn't uphold the complaint. He didn't think the car was of unsatisfactory quality when Miss B acquired it so he didn't recommend CA AUTO take any steps to put things right.

As an agreement couldn't be reached the complaint has been passed 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 done so, I've reached the same overall conclusions as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Miss B, but I will explain my reasons below.

The hire purchase agreement entered by Miss B is a regulated consumer credit agreement and 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 responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Miss B entered. Because CA AUTO supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Miss B's case the car was used and covered approximately 61,000 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the cars condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

CA AUTO acknowledged it had a potential liability in respect of the quality of goods it supplied and so the car was initially inspected by the supplying dealership. I've seen a copy of the aftersales report; it confirms the inspection was completed on 14 October 2024. As part of this, it investigated concerns about the coolant spitting and mixing with the oil as well as the bonnet latch. The details of what was carried out are as follows:

'Carried out ten-mile road test, vehicle staying at operating temperature (90 degrees) without overheating. The coolant fan operating and heaters constantly blowing hot air, no loss of coolant or signs of leaks. Coolant pressure test showing no leaks. CO2 test showing no sign of head gasket failure. Oil and coolant both in good condition and showing no sign of mixing. No loss of power or misfire on test – unable to fault on 1st road test. A 2nd road test was carried out over 50 mile and found all to be okay at time of test. No overheating all okay at time of test. No fault found'.

Miss B questioned the reliability of the report and so CA AUTO instructed an independent party to carry out a further inspection of the car. As a result, a detailed report setting out the professional opinion of the third party was provided and it identified a fault with the bonnet catch. But apart from this it couldn't replicate the faults Miss B complained of. I see no reason why CA AUTO should not be entitled to rely on this report. I've seen nothing to contradict the findings of this report and so similarly I consider I can rely on the report in determining this complaint.

There's no dispute that the bonnet catch needs to be replaced and CA AUTO has offered to contribute £100 towards this which I think is fair. But I'm not persuaded the car was of unsatisfactory quality when Miss B acquired it. I've reviewed the evidence Miss B has sent by way of photographs and video footage.

I don't doubt that there does seem to be a hissing noise coming from under the bonnet but just because there is an issue with the car, it doesn't mean the car was of unsatisfactory quality at the time of supply. Nor does it mean in some circumstances that a customer has the immediate right to reject the vehicle. I must consider the comments both the supplying dealership made as well as the independent inspection. As neither party could replicate or confirm any faults Miss B complained of with regard to the coolant mixing or leaking, I'm afraid I'm not persuaded the car was of unsatisfactory quality.

I do empathise with Miss B who I don't doubt would have to pay out money on work that needs doing to rectify the faults. But taking everything into account I am not persuaded that the faults complained about (other than the bonnet catch) were present at the point of sale. In which case I can't reasonably conclude that CA AUTO needs to do anything further than what it has already offered to do.

I don't think CA AUTO has treated Miss B unfairly by declining to accept all the problems she mentioned as evidence the car was not of satisfactory quality at the point of supply.

My final decision

For the reasons I've set out above, my final decision is that CA AUTO FINANCE UK LTD doesn't need to do anything further to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 23 September 2025.

Rajvinder Pnaiser
Ombudsman