

The complaint

Mr P complains about the quality of a used car that was supplied to him through a personal contract purchase agreement with CA AUTO FINANCE UK LTD (CAF). Mr P also says the car was mis sold to him.

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional findings, which is attached to the end of this document, and which should be considered in conjunction with this final decision:

I sent Mr P and CAF my provisional decision in July 2025. I explained why I thought the complaint should be upheld in part. I invited both parties to make any further comments. CAF responded to say they accepted my provisional decision. Mr P however, responded to explain why he should be allowed to reject the car.

Mr P made some further comments which I'll address below. However, now both sides have had an opportunity to comment, I can go ahead with my final 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.

Mr P has made submissions in response to my provisional decision. I have considered all of what it has said. I'll address what I consider to be the main points Mr P has raised and explain why these don't change the outcome I've reached.

Within his response Mr P made the following points:

- delays in the progression of his complaint and lack of response has impacted his financial situation and mental health
- he was left to drive a faulty car
- he was only able to access online, the maintenance he's had since owning the car, the lack of servicing would have depreciated the car's value
- the responsibility for returning the car should be with the selling dealership

The above is not exhaustive, but a summary of what I considered to be the main points raised in Mr P's response to my provisional decision. To be clear, I've considered all the information provided by both parties in relation to this complaint, however to maintain the informal approach of this service I've focussed on what I've considered to be the main issues here.

Delays with the progression of Mr Ps complaint and CAF's lack of response

Mr P has raised concerns about the way CAF have handled the complaint against them. He said some of his correspondence was ignored and the delays had caused an impact to his mental health.

Complaint handling isn't a regulated activity in its own right. Nor is it one of the specified non-regulated activities that I'm able to deal with under our compulsory jurisdiction (DISP Rule 2.3.1R). And so, I'm unable to look into the specifics of this.

Overall, my focus in this decision is on the underlying financial service being complained about, which is the alleged quality and misrepresentation of the vehicle, that was supplied under the personal contract purchase agreement with CAF.

I acknowledge Mr P may not have received contact from CAF when he expected it, and I recognise Mr P feels this is evidence that CAF realised the condition of the car was not of satisfactory quality. However, I've seen no evidence to support Mr P's suggestion here, so I'm not persuaded this is the case. Overall, I can see that since raising his concerns, there had been contact between both parties and the dealership about it, which subsequently led to a full response to Mr P's concerns being received within eight months of the car being supplied. I'm satisfied that Mr P's concerns were addressed by CAF.

Driving a faulty car

Mr P said that the delays with CAF handling his concerns meant he was left to drive his car which was faulty, as he needed it to get to work. I think it's reasonable that CAF and Mr P would have been trying to reach an agreement on how best to have the car inspected and repaired. I acknowledge Mr P says he was delayed due to CAF's lack of response; however, I've seen no evidence that CAF encouraged Mr P to keep using the car despite his concerns about it, or that Mr P was obliged to do so. In his response to my provisional decision, Mr P suggested he continued to use it out of necessity.

In my provisional decision I said that Mr P should be refunded the monthly repayments for when he was unable to use the car. Had it been confirmed the car was faulty and Mr P decided against using it, it's likely he would have been reimbursed for this as part of the outcome for this complaint. I recognise his strength of feeling about needing to use the car, however, I think it's reasonable to say Mr P's decision to keep driving the car was his choice and not something CAF imposed on him.

Online access to maintenance information since his ownership of it

Mr P said that through the App, he can only access maintenance information since he owned the car. I've thought about this carefully, but I'm not persuaded it means the car was misrepresented to him. For the reasons given in my provisional decision, I'm still of the opinion that Mr P had the opportunity to raise this at the point of sale and ask to view the vehicle's service history before going ahead with the sale. I'm persuaded Mr P would have still acquired the car had he realised the maintenance information was digitalised. I've seen no evidence that this isn't the case. For example, through correspondence from Mr P to the dealership specifically addressing the service history of the vehicle and that his purchase of it was dependant on it being provided to him. What Mr P has said about being able to view it online, supports what CAF has said about how the service history is recorded.

The responsibility for retuning the car should be with the selling garage

Mr P said that he didn't seek further information about returning the car because he wasn't aware of the returns process. He said the responsibility for this should be on the garage. I recognise Mr P may not have been aware of the process for rejecting a car, however I think

it would have been reasonable for him to specifically ask to return it had he desired to do so at the time. However as explained in my provisional decision I've seen no evidence that Mr P requested it. I also don't think it's reasonable to expect a third party to have to advise, suggest or encourage Mr P that he should take a particular action (in this case to reject the car) when he hadn't specifically said he wanted to do so.

I still consider my provisional decision to be fair and reasonable in the circumstances. Neither party has added anything which gives me cause to change these. Therefore, for the reasons as set out above and in my provisional decision, I'm satisfied that CAF should carry out the instructions I put forward in my provisional decision. So, my final decision is the same.

I recognise that this decision is likely to be disappointing for Mr P, however I can assure him that I've considered all the evidence provided and believe on balance that my provisional findings are fair in the circumstances.

My final decision

My final decision is that I uphold Mr P's complaint about CA AUTO FINANCE UK LTD and instruct them to:

- Reimburse to Mr P £282.66 for the cost of repairs to the car
- Refund the monthly repayments for the period 6 August 2024 to 6 November 2024 when the car was not being driven by Mr P
- Pay Mr P £350 in compensation for the distress and inconvenience caused

CA AUTO FINANCE UK LTD should pay 8% yearly simple interest on all refunds and reimbursements calculated from the date of payment to the date of settlement.

If CA AUTO FINANCE UK LTD considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr P how much it's taken off. It should also give Mr P a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 September 2025.

Provisional Decision:

I've considered the relevant information about this complaint.

I'm proposing to uphold it. However, I've arrived at a different redress outcome to the Investigator. So, I want to give both parties an opportunity to comment before I issue my final decision.

The deadline for both parties to provide any further comments or evidence for me to consider is 29 July 2025. Unless the information changes my mind, my final decision is likely

to be along the following lines.

If CA AUTO FINANCE UK LTD accepts my provisional decision, it should let me know. If Mr P also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.

What happened

In February 2024, Mr P acquired a used car through a personal contract purchase agreement with CAF. The car was about five years old and had travelled 35,179 miles when

it was supplied. The cash price of the car was £20,950, no deposit is listed on the agreement, however Mr P appears to have had some negative equity on a previous loan added to this agreement; so, the total amount financed on the agreement was £22,024.03 payable over 48 monthly repayments of £354.83 with a final repayment of £12,414.

Mr P complained to CAF that within six days after acquiring the car it kept going into limp mode, so he asked to return it but said the dealership chose to repair it instead. Mr P said another issue occurred six months later. He said the car was advertised as having a full-service history, but he hadn't received anything. In October 2024 CAF issued their final response to Mr P's complaint which it didn't uphold.

In summary it said the reported fault of the suspension arm is common among Mr P's type of car, however as the issue wasn't noted by the manufacturer at the point of supply, it wouldn't have been present or developing at that point. And in relation to the service history, the manufacturer doesn't have a structured servicing schedule and so most of the history would be through digital updates, and records are not passed between owners. CAF however, offered to have the car inspected independently if Mr P wanted.

Unhappy with their decision, Mr P brought his complaint to our service where it was passed to an Investigator to look into.

Mr P told the Investigator that he'd responded to CAF many times to accept their offer of an inspection, however, he said CAF didn't get back to him, so he decided to arrange the repairs himself as he needed the car. Mr P provided an invoice for £282.66 confirming works were completed to replace both front upper control arms.

The Investigator recommended that Mr P's complaint should be upheld. The Investigator considered that the car was misrepresented to Mr P because it didn't come with a service history and so he should be allowed to reject it and be given a refund of the latest repairs along with £200 in compensation. CAF agreed to the £200 in compensation and refund of repairs but didn't agree with the rejection.

As the Investigator's opinion remained unchanged, CAF asked that the complaint be referred to an ombudsman for a final decision.

What I've provisionally 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.

Based on what I've seen so far, I intend to uphold this complaint, and I'll explain why below. In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good

industry practice at the relevant time.

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 P complains about a personal contract purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr P's complaint about CAF. CAF is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, Mr P acquired a used car which had covered 35,179 miles and cost around £20,950. So, I think a reasonable person would not have the same expectation of quality in comparison to a newer model, which had less mileage. But I still think they would expect the car to be free from any major defects and would expect trouble free motoring for both some time and distance.

From the information provided I'm satisfied there were faults with the car. This is apparent from the Manufacturer invoices provided by Mr P, dated March 2024 for a replacement super bottle and November 2024 for replacement control upper arms. Although the invoices do not state the root cause of the issues, I'm satisfied these components were faulty to warrant them being replaced.

As I'm satisfied there were faults with the car, it seems to me there are two key issues for me to consider in relation to this complaint:

1. Was the car of satisfactory quality when it was supplied to Mr P?
2. Was the car misrepresented to Mr P?

Satisfactory quality

Mr P said that he asked to return the car within the first week due to the issues with it going into limp mode. He said his request was ignored and provided a copy of an email trail between himself and the dealership relating to it.

Under the CRA a consumer can request a rejection of goods within the first 30 days if the goods do not conform to the contract due to being of unsatisfactory quality. In their file submission, CAF confirmed that the manufacturer dealership completed repairs in March 2024 relating to the issue Mr P reported, this is supported by the invoice dated 3 March 2024. So, I'm satisfied the car was faulty and that it wasn't of satisfactory quality when it was supplied. I don't think this is in dispute by either party. However, a successful repair was carried out, which, in certain circumstances is also allowable under the CRA, if agreed to by Mr P.

In an email to the dealership in February 2024, Mr P reported the issue and enquired about returning the car, however in the same email he also enquired about having it repaired, and said he didn't expect to have to pay towards any repairs.

As the emails continued, Mr P confirmed that he booked the car in for a service but reaffirmed that he didn't want to pay for the repairs. In a later email Mr P said:

"I've now had this back.... they've ordered the parts and are going to send through the price estimate, do you need to authorise this so that the repair can go ahead?"

Mr P also advised in a later email:

"I've had the estimated work generated.... and have attached the invoice. Are you happy that I approve this now?"

The car was eventually repaired, and Mr P received a refund after having to initially pay for it himself.

Having considered the communication between both parties, although Mr P enquired about returning the car, he never actually formally requested it, or appear to demonstrate any dissatisfaction that the car was instead being repaired. In fact, Mr P appeared to aid the repair process.

Although I acknowledge the dealership didn't pursue a route of rejection, I think from the email trail, it's more likely that Mr P didn't want to have to pay for any repairs. He also hadn't reported a repeat of the issue, so I'm satisfied it was a successful repair that the dealership covered the cost of. I'm also satisfied that Mr P wasn't prevented from rejecting the car at that point.

In August 2024 Mr P complained to CAF about a noise coming from underneath the car. CAF initially rejected the complaint which led to Mr P paying for the repairs himself. However following the Investigator's assessment, CAF said they'd be happy to reimburse Mr P for the repairs and pay him some compensation, but they weren't happy to reject the car.

In the circumstances, I'm satisfied that the fault, which occurred within six months of supply meant it wasn't of satisfactory quality. I say this because CAF has effectively accepted liability by agreeing to reimburse the costs along with compensation for trouble and upset. So, I don't think the issue here is in dispute. I think what's in dispute is how the issue should be resolved.

The Investigator recommended a rejection of the car because he felt Mr P was prevented from doing so when the first issue occurred. He also felt the car was misrepresented because it didn't come with a service history.

I'm persuaded that the repairs paid for by Mr P were successful, which has enabled him to have continued use of it. As the car is now repaired and performing as expected, I don't consider that a rejection of it would be reasonable in the circumstances.

I've already concluded that I think the car was not of satisfactory quality, but to consider the most appropriate outcome, I've also considered whether the car was misrepresented to Mr P.

misrepresentation

Mr P told us that he believes the car was mis sold to him because it was advertised as

having a full-service history. He provided a copy of the advert which states that the car comes with it, which he feels supports his assertion that he was misled.

To investigate whether there was a misrepresentation of the car at the point of supply, I've considered whether there's been a false statement of fact and if the false statement of fact would have induced Mr P into acquiring the car. Based on the evidence I have from both parties; it seems unlikely that a false statement of fact was made, so I don't think the car was misrepresented.

In their final response, CAF explained that the brand of car Mr P acquired doesn't come with a standard servicing structure that is passed on from owner to owner. Instead, it's made up of digital updates and servicing which is processed through an app and online account. Having looked into this, I'm persuaded by what CAF has said. Mr P hasn't said that he wasn't able to retrieve servicing information online or through the app, he's said that he hasn't received a service history which I've taken to mean a physical record, as tends to be with many other vehicles. So, I'm persuaded it's likely a history of some servicing exists in a digital format which is accessible to Mr P.

CAF said they were advised this would have been explained to Mr P at the point of supply. I have no evidence to say whether this took place or not, but I think it's likely had the digital format been explained to Mr P, he would have still gone ahead with the purchase of the car. I don't think the absence of a standard physical service history would have stopped Mr P from entering into the agreement.

From the evidence provided I think the important thing for Mr P was that the car was maintained and that it was functioning effectively. The email trail during February and March 2024 supports this view. For example, Mr P didn't pursue the lack of physical servicing as a significant issue until the car demonstrated a second fault in August 2024. I think the lack of response from CAF after the car suffered another fault was likely what caused Mr P significant frustration, this is evident from the emails he sent to CAF in October and November 2024 chasing for updates and advising he felt he had no other option but to have the car repaired despite agreeing to have it independently inspected.

Putting things right

Having considered the car wasn't misrepresented to Mr P, I won't be instructing CAF to take any action in this regard. However, as I've concluded that the second issue rendered the car to be in a condition that wasn't of satisfactory quality, CAF will need to put things right.

The first issue was repaired with costs covered by the dealership. However, Mr P paid for the subsequent repairs. The invoice provided, dated 6 November 2024, showed that he paid £282.66 to have the car repaired. And I'm satisfied that the repairs were successful. So, CAF should reimburse this to Mr P. Mr P also advised in an email that he wasn't able to drive the car from when it failed in August 2024. This is consistent with the timeline provided by CAF, that Mr P reported the issue to them on 6 August 2024. So, I think it's reasonable that he is refunded his monthly repayments between the period of when he reported the issue in August 2024 and November 2024 when it was repaired.

I also think Mr P should be paid compensation for the inconvenience caused as a result of the issues. He's described the impact this has had on his mental health and to his daily routine. I also acknowledge the distress that would have been caused by CAF's lack of contact with him following their final response. In the circumstances, I think £350 is a fair recognition of this. So, I'll be instructing CAF to pay this to Mr P.

Benjamin John
Ombudsman