

The complaint

Mr F is unhappy that a car supplied to him under a Personal Contract Purchase agreement with CA Auto Finance UK Ltd ("CA Auto") was of an unsatisfactory quality.

When I refer to what Mr F has said and what CA Auto has said, it should also be taken to include things said on their behalf.

What happened

In November 2023, Mr F was supplied with a new car through a Personal Contract Purchase (PCP) agreement with CA Auto. The cash price of the car was £49,290 and Mr F paid a deposit of £6,000. The term of the agreement was for 48 months and Mr F was to pay £528.44 per month with an optional final payment of £21,746 should he wish to keep the car.

In January 2024, Mr F took the car to the dealership because he'd been experiencing problems with the steering. The car was pulling to the right. The dealership assessed and completed repairs, and again on a number of further occasions. In August, a significant repair was completed.

On 30 August 2024, and while his car was still in for repair, Mr F complained to CA Auto about the quality of the car given that he'd had to take it back on so many occasions for the same fault. He asked to reject the car. After further communication with Mr F, CA Auto issued a final response dated 18 October saying that the car was functioning as it should after the August repair, so it would not consider his request to reject. CA Auto offered to pay Mr F £264.22 for the distress and inconvenience caused of taking the car for repairs.

Unhappy with CA Auto's response, Mr F brought his complaint to us. He said the car was still pulling to the right and he wanted to reject it.

One of our investigators looked into Mr F's complaint and she agreed that CA Auto ought to accept his request to reject the car. She said the evidence showed that Mr F had experienced the same fault with the car from around two months after being supplied with it. CA Auto didn't agree and suggested that any ongoing problems were associated with Mr F's driving style, expected wear and tear, and the high mileage. However, our investigator remained of the view that the evidence supported Mr F's complaint that the car was of unsatisfactory quality.

Because CA Auto didn't agree, the matter was passed to me to make a 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.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr F entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where

they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the cash price and the fact that the car was new at the time of supply.

The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability. So, if I thought the car was faulty when Mr F took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask CA Auto to put this right.

To begin with, I think it's fair to say that Mr F could reasonably expect that a new car with a cash price of almost £50,000 would be free from defects and sufficiently durable.

Fault

I don't think there can be any dispute that there was a fault with the car, and it's reasonable to say it would've been present at the time of supply. That's because Mr F reported problems with the steering pulling to the right within the first two months of having the car, and the dealership completed repairs. A further significant repair was completed for that same issue in August 2024. The invoice, dated 2 September 2024, confirms that the work was a "ReWork Case" and the following was reported:

Carried out a road test, confirmed vehicle is moving right, constantly having to correct the steering to keep in a straight line, condition is worse at motorway speed, noticed the steering [will] not stay in the straight ahead position, it stays at +4 degrees which is why the vehicle moves to the right, carried out multiple wheel alignments, the steering still wouldn't return to the straight ahead position, slackened all steering, front suspension and subframe fixings, re-torqued, carried out another alignment and road test, still no difference, unbolted steering rack from the subframe, measured gaps between the rack and the subframe mounting points, the gap in tolerance so the subframe is ok, fitted a new steering rack as per service manual instructions, carried out another wheel alignment, the vehicle [...] now drives [as] it should with no movement.

It appears that the cost of the repair was in the region of £4,000, albeit not charged to Mr F.

Based on this evidence, it's my opinion that the car was not of satisfactory quality at the time of supply.

Section 24(5) of the CRA says "a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract." This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs. That is, it's not a single chance of repair for the dealership AND a single chance of repair for CA Auto – the first attempted repair is the single chance at repair. If a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

The car was repaired twice in January 2024. Mr F reported the problem again at the beginning of August 2024 and he took the car for repair on 14 August 2024. The CRA is clear that, if the single chance at repair fails, as was the case here, then the customer has the right of rejection. This doesn't mean that the customer is required to reject the car, and they can agree an alternative remedy, such as further repairs to the car. However, while Mr F agreed to further repairs, it does not mean he lost the right to reject in the event that the problem continued.

I'm satisfied that CA Auto had a single chance at repair in January 2024.

CA Auto said the car was operating as it should when it was returned to Mr F on 2 September 2024 after the steering rack was replaced. Mr F didn't agree and he continued to report the same fault, but CA Auto considered the ongoing problem was due to Mr F's driving style and wear and tear, evidenced by the high mileage.

I won't go into detail about the ongoing problems and whether they were due to wear and tear or driving style rather than a fault at the time of supply. That's because I don't think any ongoing problems affect the outcome. As I've said, under the CRA Mr F had the right to reject after CA Auto had a single chance at repair. He returned the car for repair on 14 August and asked to reject the car on 30 August. The invoice for this repair shows that the car was given back to him on 2 September, stating that it was driving as it should. However, when he asked to reject the car, it had been in for repair for two weeks and had not yet been returned to him.

So, whether or not the car was driving as it should on the day of return, I'm satisfied that Mr F had already asked to reject the car three days before, and after two previous attempts at repair. Therefore, I think it's reasonable to conclude that the car was not of satisfactory quality when it was supplied, and Mr F was entitled to exercise his right to reject under the CRA. CA Auto ought to have accepted his rejection.

CA Auto mentioned the high mileage. I noted that the PCP agreement provided for a maximum of 12,000 miles per year on average, with an excess mileage charge of 16 pence per mile. It's clear that Mr F had exceeded the expected mileage when he took the car for repair. I've thought carefully about this point and, on balance, I don't think it affects what I think is a fair outcome. I asked Mr F to confirm the current mileage which he said is 15,363. He also said he'd stopped using the car because he didn't feel it was safe. So, while the mileage exceeded the annual average to begin with, it has now levelled off. Therefore, I see no reason to make any recommendations about the excess mileage charge provided for within the PCP agreement.

Putting things right

In deciding what CA Auto ought to do to put matters right, I've taken into consideration the following:

- Mr F asked to reject the car when problems continued after CA Auto had a single chance at repair.
- Mr F was able to use the car between repairs, demonstrated by the high mileage.
- He had use of a courtesy car when his was in for repair.
- Mr F reported not feeling safe when driving the car.
- He experienced inconvenience when having to take the car for repair.

CA Auto ought to end the agreement in line with Mr F's request to reject the car under the CRA. This includes returning his deposit and taking back the car at no cost to Mr F.

Based on Mr F's fair use of the car, I don't think it would be reasonable to ask CA Auto to refund his monthly payments. However, I do think it is reasonable to expect CA Auto to refund a small percentage of the payments to recognise the impaired usage, reflected in his decision to stop driving the car. I also think CA Auto should pay interest on any payments returned to him.

CA Auto offered to pay £264.22 for the distress and inconvenience Mr F experienced. I think that's fair in the circumstances.

My final decision

For the reasons explained, I uphold Mr F's complaint, and CA Auto Finance UK Ltd must:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr F;
- refund the £6,000 deposit Mr F paid;
- refund 5% of the monthly payments in recognition of the impaired use caused by inherent quality issues;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr F made the payment to the date of the refund[†];
- pay Mr F £264.22, as offered, to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality, and
- remove any adverse entries relating to this agreement from Mr F's credit file;

[†]If CA Auto considers that tax should be deducted from the interest element of my award, it should provide Mr F with a certificate showing how much it has taken off so he can reclaim that amount, if he is eligible to do so.

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

Debra Vaughan
Ombudsman