

The complaint

Miss O complains that the car supplied by CA AUTO FINANCE UK LTD wasn't of satisfactory quality. She says things started to go wrong within a very short time, causing her significant distress, and she wants to reject the car and end the finance agreement.

What happened

Miss O entered into a hire agreement in January 2024 to acquire a used car. The cash price of the car was £11,999, and after taking account of her advanced payment, the total credit provided came to £7,999. The total repayable over the 60-month term of the agreement was £15,281.20, with monthly payments of £181.37. At the time of acquisition, the car was around six years old and had been driven just over 21,000 miles.

Miss O told us:

- The car was delivered to her on 25 January 2024, and upon receipt of it, there were two warning lights illuminated; the tyre warning light was illuminated, and the tyre pressures light was flashing;
- she conducted her own research online and fixed the problem herself;
- In March 2024, the car broke down and she had to be recovered by a recognised third-party; this was very distressing, not only because she had to pay for recovery, but because she had her baby in the car, and she felt stranded and helpless;
- she paid for the car to be towed to a garage and then paid for the repairs herself – the supplying dealership wouldn't help her – and she had to rely on taxis to get to/from work and to/from school;
- she's still experiencing issues with the car, and she wants to reject it and end the finance agreement because she feels uncomfortable with it and fears it will break down again and leave her and her young family stranded. And it's caused so many issues with family life – missed doctor's appointments; missed school appointments; and missed music lessons.

CA AUTO rejected this complaint. It said the issue with the tyre warning lights may simply have been because *"one of the tyres may have been changed prior to sale and the dashboard may not have been reset"*. And it noted that Miss O had resolved the issue herself.

CA AUTO acknowledged that in March 2024 – just 3 months after acquiring the car – it would not start, and all the warning lights were illuminated on the dashboard, and when Miss O contacted the supplying dealership for help, it had asked her if there was fuel in the car. In the end Miss O had paid £80 for roadside recovery.

The car was towed to a local garage – at a further cost of £80 to Miss O – where diagnostics were undertaken. The garage replaced the car battery; reset the traction control light; and completed a full health check, which confirmed the screen wash pump wasn't working. The cost of this investigation and the repairs was £420.82, all of which was paid for by Miss O.

CA AUTO submitted that the vehicle passed its MOT with no advisories on 21 September 2023, and it says that it would therefore be reasonable to suggest the screen wash pump fault has occurred at some point after this date. And as a result the fault may not have been present or developing at the point of sale. It also said it had noted that Miss O *“had travelled 238 miles in the vehicle from the date of purchase up to this date and had not reported to us or the Retailer any issue with using the windscreen wipers during this time”*.

But it did say that as a goodwill gesture it would cover the cost of both the recovery and the towing totalling £160.00, together with the costs of the diagnostic tests and battery replacement including labour totalling £420.82.

Our investigator looked at this complaint and said that he thought it should be upheld. He said there were clearly things that were wrong with the car, and he didn't think that CA AUTO had acted fairly in the circumstances, and he explained the relevance of the Consumer Rights Act 2015 in this particular case.

He recommended that CA AUTO reimburse Miss O for the costs of both recoveries, together with the repair bill she'd settled when the battery was replaced. And he asked it to pay her some compensation for the distress she'd suffered. He noted that an independent inspection, commissioned by CA AUTO, had identified further issues with the car. And the engineer concluded that these were present or developing at the point of supply. And he asked CA AUTO to pay the cost for these to be repaired.

He went on to explain to CA AUTO that under the Consumer Rights Act 2015, it only had one opportunity to repair the car and any faults as a whole – it did not have one opportunity to repair each individual fault. And he said that once all repairs have been completed, if further issues with the car arose, and these can be shown to have either been present or developing at the point of supply or to be failed repairs, then Miss O may exercise her right to reject the car.

Both parties accepted this recommendation, and the Service closed its case.

A short time later, Miss O asked us to re-open her complaint. She said she'd experienced further issues with the car not starting, and she provided photographic and video evidence to support her position. She said she hadn't wanted to re-open the complaint, but the stress and worry of struggling with this car and its reliability had caused her a lot of distress.

A month later, Miss O contacted the Service again to provide details of further new issues with the car. One of the car tyres had collapsed, and a dashboard warning light illuminated.

Our investigator reviewed the complaint again and concluded that given the car had experienced similar faults and struggled to start earlier in the agreement, the two issues might be related. And he asked Miss O if she'd be prepared to arrange for a mechanic to inspect the car. Because she wasn't willing to have the car inspected, our Investigator said he'd seen no evidence that suggested the fault with the car was present or developing at the point of supply. But he confirmed to both parties that his recommendations from his earlier opinion were still valid as they related to other faults with the car.

Miss O contacted our investigator again in March 2025 to say that although it had accepted his opinion in August 2024, CA AUTO had not followed all his recommendations. Because CA AUTO hasn't complied with our earlier recommendations in full, despite accepting them seven months ago, this case now comes to me to decide.

My initial conclusions are set out in my provisional decision. In it I said I thought Miss O's complaint should be upheld because the car that was supplied to her was not of satisfactory quality, and I explained my reasoning as follows:

"As the hire purchase agreement entered into by Miss O 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.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

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. So, what I need to consider in this case is whether the car supplied to Miss O was of satisfactory quality or not.

CA AUTO supplied Miss O with a used car – it was around six years old and had been driven just over 21,000 miles – so the price of the car was lower than it would've been if it had been supplied new. Because of this I think it's fair to say that a reasonable person would expect that parts of the car might've already suffered wear and tear. And there'd be a greater risk in the future that this car might need repairs and maintenance sooner than a car which wasn't as road-worn when supplied.

I don't think there's any dispute that Miss O has experienced problems with the car - that has been well evidenced by her testimony and the evidence she's sent us. But just because Miss O has had problems with the car, and things have gone wrong, it doesn't necessary follow that the car supplied to Miss O wasn't of satisfactory quality.

CA AUTO would only be responsible for putting things right if I'm satisfied that these faults were present or developing when the car was supplied – that is to say, the car wasn't of satisfactory quality when Miss O acquired it in January 2024.

I understand that CA AUTO has, in January 2025, reimbursed Miss O for the cost of recovery in March 2024; the cost of towing; and the costs of the repairs that she paid for. And it's also paid Miss O, the £350, our Investigator recommended it pay in recognition for the stress, worry and anxiety she'd suffered because of CA AUTO's actions. So I don't need to consider these matters further.

Miss O has recently advised this Service that the issue with the car not starting may now have been resolved. So, again this isn't something I need to consider here. But I do need to consider two other issues/faults that Miss O raised with CA AUTO and this Service.

Whilst investigating Miss O's complaint, CA AUTO instructed an independent engineer to inspect the car, specifically looking at two faults that had been raised by Miss O.

- *An issue with the windscreen wipers and screen wash*
- *A fault with the air conditioning – it simply didn't work.*

The purpose of the independent inspection was to ascertain whether or not these issues were genuine faults and, if so, whether they were likely present or developing at the point of

supply. That is to say, whether CA AUTO supplied Miss O with a car that was not of satisfactory quality.

The independent inspection noted:

- *“The operation of the front and rear windscreen washer system was tested and it was observed that...from and rear washers were operative...the washer fluid reservoir was found full at time of inspection”.*
- *“The operation of the air-conditioning system was checked and it was observed that it did not blow out cold air”. “A visual inspection revealed wet patches on the air condenser suggesting possible leaks from the unit”.*

The engineer made the following conclusions:

- *“The windscreen washers are an essential item and an MOT requirement and will require rectifying as soon as possible. The air-conditioning also was found inoperative and also requires repairs. These faults are in my opinion not of satisfactory standard”.*
- *“In my professional opinion, the faults found with the vehicle...were present at time of sale given the very little mileage covered by the new owner...and in my opinion the vehicle is not fit for purpose”.*

CA AUTO agreed to reimburse the cost of these repairs or pay Miss O following receipt of an invoice for repairs. Because of this, I don't need to make any findings about whether the car was of satisfactory quality when supplied. Both parties accept it wasn't.

But this redress, agreed by CA AUTO following our earlier recommendations, has not been made. So I'm now going to direct CA AUTO to pay for these repairs, and pay Miss O some additional compensation for the ongoing anxiety and worry it has put her through.

I know, from her submissions, that Miss O has a very busy family life. So, in order to avoid inconveniencing her any further, I'm going to leave it with her to decide whether to have the repairs undertaken, and the invoice for those repairs sent to CA AUTO directly, so she's not out of pocket; or alternatively, she can pay for those repairs herself and then rightly expect prompt re-imburement from CA AUTO”.

And I asked each party to let me have further information, by 9 April, that they'd like me to consider.

CA AUTO provided no further comment or testimony.

Miss O provided no further comment or testimony.

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, and in the absence of any additional evidence or testimony from either party, I've decided to uphold this complaint.

Putting things right

I direct CA AUTO FINANCE UK LTD to put things right by doing the following:

- I believe Miss O has already paid for repairs to address the fault with the windscreen wipers / washer pump. Upon receipt of evidence of this payment from Miss O, I shall require CA AUTO to reimburse her in full within 28 days.
- Miss O has yet to proceed with repairs to the air-conditioning system.
 - If Miss O pays for these repairs herself, then upon receipt of evidence of this payment from Miss O, I shall require CA AUTO to reimburse her in full within 28 days.
 - Alternatively, if Miss O would prefer CA AUTO settle the invoice directly with the garage that undertakes these repairs, then I shall require CA AUTO to settle this invoice in accordance with the garage's terms and conditions.
- CA AUTO will also pay 8% simple interest, per annum, on any amounts it refunds directly to Miss O from the time these payments were made to the date of settlement*
- CA AUTO will also pay Miss O a further amount of £150 for the distress or inconvenience that's been caused through its actions.

*HM Revenue & Customs requires CA AUTO FINANCE UK LTD to take off tax from this interest. CA AUTO FINANCE UK LTD must give Miss O a certificate showing how much tax has been taken off if she asks for one.

My final decision

My final decision is that I uphold this complaint and require CA AUTO FINANCE UK LTD to settle this complaint fairly, as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 8 May 2025.

Andrew Macnamara
Ombudsman