

## **The complaint**

Mr A complains that a car supplied to him under a finance agreement with CA AUTO FINANCE UK LTD (CA Auto) wasn't of satisfactory quality.

## **What happened**

The details of this complaint are well known to both parties and have been set out by the investigator, so I won't repeat them again here. Instead, I'll focus on giving the reasons for my 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.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider good industry practice at the time. Mr A was supplied with a car under a hire purchase agreement, this is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr A entered. Because CA Auto supplied the car under a financial 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 Mr A's case the car was acquired new, so I think it's fair to say that a reasonable person would expect the level of quality to be higher than a used or more road worn car. And that it would be free from defects for a considerable amount of time. So, if I thought the car was faulty when Mr A 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 things right.

Under the CRA 2015 where a fault occurs with a car within the first six-months of the point of supply it's assumed that the fault was present or developing at the point of supply and it's generally up to the business to put things right. The business is allowed one opportunity to repair the fault. If the repair isn't successful, the consumer can reject the car.

I've reviewed the available evidence regarding the issues Mr A experienced with the car.

Based on what I've seen, I am satisfied that the car did have problems, and I think the crux of these issues were with the paint and bodywork. I say this because I've seen correspondence confirming the car went in for repairs and this isn't in dispute.

Mr A collected the car in April 2024 and remained unhappy with the overall finish and appearance of the paintwork, so Mr A wants to exercise his right to reject the car. Having carefully considered all the evidence I have; I don't think the car was of satisfactory quality when it was supplied to Mr A.

I have copies of correspondence between Mr A and the manufacturer confirming the vehicle was inspected by one of its engineers and referred for further rectification repairs. I see no reason why its manufacturer would inspect the vehicle and recommend it go in for further repairs if the initial paintwork repair was of satisfactory quality.

Further, Mr A has provided an estimate of work produced by a body and paint specialist. The estimate outlines the cost of further repair work needed to bring the car to a satisfactory quality. The specialist specifically outlined the following issues:

*"The NSR and OSR 1/4 panels are off colour to the rear doors - They appear yellow in comparison - This could be due to a poor paint match during the refinish process or down to the clear coat used.*

*... The masking to the door apertures is very poor and you can see where this has been done. You can also see where the clear coat has been blended under the doors as this has failed. No paint manufacturer guarantees a clearcoat blend and this operation is also not inline with the majority of vehicle manufacturers repair methods. Blends are usually used to save time in both prep and application and personally, I view them as short cuts. In an ideal world, the full sills should have been refinished. To rectify this, all the refinished areas need attending to and all previously applied products require removal. All doors will need to be removed."*

In my view this points less towards issues due to the general age of the car or reasonable wear and tear, and more towards problems arising from poor attempts to repaint the car. As I've noted, the test of satisfactory quality is by reference to what a reasonable person would consider satisfactory. I'm not persuaded that a reasonable person would expect, within a few months of acquiring a brand-new car, the problems Mr A has experienced with its appearance and finish. These arose, as the specialist's opinion supports from attempts to repaint the car.

I would also emphasise that the nature of the defects reported by Mr A are not consistent with what would typically be expected from a vehicle of this age or mileage. Rather, they suggest a failure to carry out repairs to a professional standard.

It is also relevant that Mr A has already given CA Auto the opportunity to address the issues through repair. However, the subsequent attempt did not rectify the problems to a satisfactory level. Because Mr A doesn't want further repairs and given what has happened so far, I believe it's reasonable for CA Auto to allow rejection of the car.

To put things right CA Auto should end the agreement and collect the car at no cost to Mr A. It should also refund any deposit or advance payment made. While I appreciate the frustration and disappointment the situation has caused Mr A I won't be recommending CA Auto refund any of his monthly repayments. I say this because whilst the faults with the overall appearance and finish of the vehicle have been of an unsatisfactory quality Mr A has had use of the vehicle and it's only fair he pays for the time he has used it.

I do however think the situation would've caused him distress and inconvenience and Mr A has told us about the impact this has had on him, and I don't doubt what he says. I think it's fair and reasonable CA Auto also pay him £300 for the distress and inconvenience suffered.

### **Putting things right**

To put things right, CA Auto must:

- end the agreement with nothing further for Mr A to pay;
- collect the car at no cost to Mr A;
- refund the deposit/advance payment (if one was paid)
- pay £300 distress and inconvenience caused due to being supplied with a car of unsatisfactory quality;
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.

### **My final decision**

I uphold this complaint and direct CA AUTO FINANCE UK LTD to put things right as outlined in my findings above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 August 2025.

Rajvinder Pnaiser  
**Ombudsman**