

The complaint

Mr H complains that the van he acquired financed through a hire purchase agreement with CA AUTO FINANCE UK LTD ("CAF") wasn't of satisfactory quality.

What happened

In April 2024 Mr H acquired a used van (distance sale) financed through a hire purchase agreement with CAF. Mr H reported that seven to eight weeks after taking delivery of the van he had trouble starting it and noticed it was using an excessive amount of oil. He said his local garage indicated the injectors would need changing and the cylinder head gasket may be leaking leading to estimated repairs of £4,000. Mr H said he was told by the dealership that there wasn't a warranty on the van, and he would have to pay for the repairs himself. He raised a complaint with CAF. Mr H told this service he initially had difficulties engaging with the dealership and the finance company.

CAF agreed to arrange an independent inspection, but this did not occur, and Mr H brought his complaint to this service. The inspection then went ahead.

Our investigator concluded that the car had a fault related to the glow plug control module as noted by the inspector. He recommended CAF assist Mr H with the repairs and investigation of the vehicle.

Mr H did not agree and asked for a decision from an ombudsman. He made some additional comments to which I have responded below as appropriate. In the meantime Mr H requested a payment holiday and then requested to voluntarily terminate the agreement.

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.

First, I've seen that Mr H has made numerous points in support of his complaint. I know that I've summarised it in far less detail and in my own words. I'm not going to respond to every single point made by Mr H. No discourtesy is meant by this. Instead, I've focussed on what I think is the crux of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr H's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

CAF, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr H. Whether or not it was of satisfactory quality at that time will

depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about five years old, had been driven for 74,000 miles and had a price of £11,643. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

I'm persuaded there is a fault with the vehicle. I say this because the independent report has noted:

“that there may have been a developing fault at the point of sale regarding the glow plug control module, this fault code would explain the difficulty to the starting of the engine and may have been misdiagnosed by the repairer, as there is no evidence of a diagnostic report I cannot confirm this”

The inspector has noted the issue was possibly present or developing at the point of sale and as this appears to be related to Mr H's testimony that the van has been a lazy starter from the first few weeks of ownership I think it likely the van wasn't of satisfactory quality at the point of delivery. CAF is entitled to one opportunity to repair the van and so I think it fair and reasonable that it be allowed to do this.

Mr H told this service that he has invested over £3,000 in improving the van, including alloy wheels, windows, and refurbishing the interior. He said it has been a dream of his to use it fully converted for weekend getaways and returning it is the last thing he wants to do but he cannot accept that the initial reason for taking it off the road remains unresolved and has not been objectively considered by this service in terms of the costs and delays it has caused him.

Mr H said the independent inspection report cannot be relied upon. He said it does not comment meaningfully on the issue of excessive oil consumption which was his main concern since raising the initial complaint. He said this omission is critical, as oil consumption was the subject of a follow-up complaint to the dealer, which is not acknowledged or explored in the independent report. He said a third party garage noted at the time of its MOT that the vehicle had insufficient oil and there was visible evidence of oil loss on the lower grills within the engine compartment. He said these findings directly support his concerns and should be considered in any credible assessment. Mr H went on to say the irony is that the inspector found a fault he himself was unaware of and recommended that is fixed while the original concern remains unresolved and not investigated.

I understand Mr H's strength of feeling, so I offered him the opportunity to have the van inspected for himself. He declined on the basis of cost but asked not to be disadvantaged by the absence of a more complete and timely inspection, and for it to be considered alongside CAF's prolonged non-engagement and failure to act on his termination request. He said he was concerned that the offer of a second inspection implicitly acknowledges that the first report was incomplete. He said if so, this supports his position that the original inspection was inadequate and that the case could—and should—have been resolved months ago.

The inspection commissioned by CAF was carried out by a known supplier in the industry and I've no reason to doubt its technical findings. I offered Mr H the opportunity to have the

van inspected again in order for him to provide his own technical evidence, as I understood his concerns and I noted he had provided his own more general internet research.

I'm not disputing Mr H's testimony regarding the excessive oil consumption he's reported. He's said he was advised by his local garage that he should not use the van and that it would need to undertake a number of repairs to establish why it was not starting and also losing oil. He said the garage indicated the injectors would need changing and that the cylinder head gasket may be leaking. He said the estimated repairs could cost in excess of £4,000. Again I'm not disputing this, but I haven't seen any diagnostic report about the oil consumption, a job sheet or a written estimated cost. We are an evidenced based service so I must rely on the evidence I have. The only technical evidence I have is the independent report which Mr H claims is unreliable because it isn't comprehensive enough. He has provided commentary from internet research and forums, but this evidence isn't specific to Mr H's van and circumstances.

Where the evidence is incomplete, as is the case here, I must make my decision based on the balance of probabilities – that is, what I consider is most likely to have happened.

The report says:

"It's not possible to mechanically determine whether the faults were present or developing at the point of sale. However upon reviewing the email sent to me by Mr H it appears there was a reported injector fault that was communicated to the selling dealer by Mr H around four months of ownership, however no evidence of a repairer's diagnostic report was seen.

In conclusion I believe that there may have been a developing fault at the point of sale regarding the glow plug control module, this fault code would explain the difficulty to the starting of the engine and may have been misdiagnosed by the repairer, as there is no evidence of a diagnostic report I cannot confirm this.

In regards to the loss of engine oil, upon inspection there were no visible signs of any oil leaks, the vehicle did not smoke which would indicate that the engine is not burning the oil. Further investigation in a workshop environment will be required to determine the exact cause of failure."

The inspection has provided a possible explanation for the problems Mr H experienced starting the van. And I think it fair and reasonable CAF be allowed to repair the glow plug control module.

I also think it reasonable that CAF ensure the garage do a further inspection of the van to identify if it's using an excessive amount of oil and why.

Mr H said he was advised to stop driving the van by his local garage to prevent any further drive-on damage. Mr H had been able to drive around 6,000 miles. He purchased a second vehicle in November 2024, so I agree with the investigator that it seems reasonable for his payments to be refunded from November 2024 until repairs are completed.

Mr H has described the impact this situation has had on him including evidence of poor customer service and a delay in getting the van inspected, so it's fair and reasonable that CAF pay him £250 compensation to reflect this.

Mr H has said he's incurred additional costs because he's had to buy a second car to use. I agree with the investigator that it would be fair and reasonable for CAF to refund the tax and

insurance on the van until the van is fixed.

Mr H has attempted to voluntarily terminate the agreement and has said he's experienced poor communication from CAF, so he raised a further complaint. He also said he wasn't advised of his right to cancel at any stage of the transaction. He said no written notice or documentation was provided outlining his statutory cancellation rights. These are new complaint points. He should first raise them with CAF so that it has the opportunity to investigate his concerns.

Putting things right

- Support Mr H with repairs and investigation of the vehicle as detailed above;
- pay a refund of rentals as directed above to cover any loss of use of the vehicle because of the inherent quality issues;
- refund the cost of tax and insurance the van from November 2024 until the matter is resolved, on production of receipts;
- pay 8% simple yearly interest on these refunded amounts from the date of payment until the date of settlement;
- pay a further amount of £250 for any distress or inconvenience that's been caused due to the faulty goods;
- remove any adverse information from the customer's credit file in relation to the agreement.

My final decision

My final decision is I uphold this complaint and instruct CA AUTO FINANCE UK LTD to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 October 2025.

Maxine Sutton
Ombudsman