

## **The complaint**

Mr B complains that CA Auto Finance UK Ltd (CA Auto) supplied him with a used car under a hire purchase agreement that was of unsatisfactory quality.

## **What happened**

Mr B took out the hire purchase agreement on 15 June 2024. The car CA Auto supplied him with was six years old, had travelled around 96,580 miles and had a cash price of £12,469. Under the agreement, Mr B was to make monthly payments of £289.82 for 59 months and a payment of £299.82 in month 60.

In July 2024, repairs to the car's throttle body, piston valve and diesel particulate filter (DPF) were carried out under warranty. Mr B complained to CA Auto about these repairs being needed. As a goodwill gesture, CA Auto reimbursed Mr B two months' rental payments of £289.82 and Mr B's complaint was resolved.

In September 2024, there was an issue with the car's gearbox, which was renewed (at no cost to Mr B).

In October 2024, there were further issues with the car. Mr B says these caused him to stop driving it car from around 17 October.

A diagnostic report in November 2024 showed issues with the car's gateway module, engine control module and side obstacle detection control modules (left and right). At around this time, Mr B made a new complaint to CA Auto about the issues he was having with the car.

In February 2025, a motor engineer asked to investigate the issues said (among other things) the car was in "limp" mode and had a problem with its engine control unit, which needed to be replaced by a specialist engineer. The car was returned to Mr B unrepairs. The motor engineer's investigation cost £648 and I understand Mr B paid £264 of this by credit card.

Also in February 2025, a specialist engineer quoted £1,912.36 to replace the engine control unit and investigate an issue with the car's doors, which weren't locking properly.

Having had no substantive response from CA Auto to his complaint, Mr B then referred it to us. The investigator who looked at it upheld it. She thought that, on the balance of probabilities, the car wasn't of satisfactory quality when CA Auto supplied it to Mr B.

CA Auto hasn't responded to our investigator's view on Mr B's complaint, which has now been passed to me for a 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.

I've also considered the relevant law and regulations, any regulator's rules, guidance and standards, any codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Having done so, I've decided to uphold Mr B's complaint, as I'll explain.

CA Auto supplied Mr B with a car under a hire purchase agreement. This is a regulated consumer credit agreement, which means we can look at complaints about it against CA Auto.

The Consumer Rights Act 2015 (CRA) covers agreements such as Mr B's. Under it, there's an implied term that the goods supplied will be of satisfactory quality. And the CRA says 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 age and mileage of the car, the cash price and the durability of its components.

The CRA also 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.

Under the CRA, the general position is a consumer must show there's a fault with the car. But if she or he can do this and the fault shows the car wasn't of satisfactory quality in the first six months from supply then, broadly speaking, it's for the supplier (CA Auto in this case) to show the goods did actually conform to the contract when supplied.

As I've mentioned, when CA Auto supplied the car to Mr B, it was around six years old, had done around 96,580 miles and had a cash price of just over £12,469. I wouldn't have the same expectations of this used car – which, in particular, had quite a high mileage for its age – as I would of one that was brand-new. As with any car, there'll be ongoing maintenance and upkeep costs. In used cars, it's more likely parts will need to be replaced sooner or be worn faster than in brand-new cars. So CA Auto wouldn't be responsible for anything that was due to normal wear and tear while the car was in Mr B's possession. But, at the same time, I think any reasonable person would expect a period of trouble-free motoring without any major mechanical breakdown.

That hasn't been Mr B's experience. Within the first six months, Mr B's car needed repairs to its throttle body, piston valve and DPF, as well as a new gearbox and there's an outstanding specialist repair to its engine control unit. Earlier this year, Mr B has told us he'd only driven around 2,246 miles – and, as I've mentioned, he says he stopped driving the car in October last year. Given all of these factors, and in the absence of any evidence to the contrary from CA Auto, I'm satisfied the car wasn't sufficiently durable and this made it of unsatisfactory quality when CA Auto supplied it to Mr B. That means CA Auto needs to put things right for Mr B.

### **Putting things right**

The CRA says that if goods don't conform to contract after one attempt at repair or replacement, a consumer is entitled to other remedies. I'm satisfied the repairs carried out on Mr B's car in July last year mean CA Auto has exercised its single chance of repair. As such, I think the remedy Mr B is now entitled to is to reject the car.

Mr B says he hasn't driven the car since around 17 October last year. Because Mr B hasn't had the use of the car since then, CA Auto should refund his monthly payments from then on

(plus interest). Mr B also says he didn't have the use of the car for a week in September last year, while the gearbox was being replaced. So CA Auto should refund Mr B a quarter of one monthly payment (plus interest) to compensate him for this loss of use. Since, as I understand it, Mr B had the use of the car for the rest of the time before 17 October, I don't think it would be fair and reasonable for him to be refunded any more of his earlier monthly payments.

Mr B says he paid £264 by credit card towards the cost of the motor engineer's investigation in February this year. The invoice shows a payment of this amount was made by credit card. I think it's fair and reasonable CA Auto should reimburse Mr B this amount (plus interest).

Mr B says the issues he's had with the car have caused him a lot of distress and inconvenience. He says he's had to get shopping delivered to his home, which has cost him more than going by car to his normal shops would have cost – and this has meant he's struggled to pay for heating and clothes for his children. He says he's paid road tax and insurance for a car he can't use. Mr B says he has a disability and has been housebound for a number of months, which has worsened his health condition and caused severe depression and insomnia.

From what Mr B describes, it's clear he's suffered inconvenience, distress and disappointment because CA Auto failed to supply him with a car that was of satisfactory quality. Given this, I think it's fair and reasonable for CA Auto to pay Mr B £300 for the distress and inconvenience this has caused him.

Mr B has recently told us CA Auto has added £3,000 to his agreement, which he says has destroyed his credit rating. Given that CA Auto supplied Mr B with a car that was of unsatisfactory quality, it should remove any adverse information it holds on Mr B's credit file.

### **My final decision**

For the reasons I've given, I uphold Mr B's complaint and direct CA Auto Finance UK Ltd to:

- End Mr B's hire purchase agreement, with nothing more to pay.
- Collect the car at no further cost to Mr B.
- Refund Mr B all of the monthly payments on his agreement from 17 October 2024 to the date of settlement.
- Refund Mr B one quarter of his monthly payment for September 2024.
- Reimburse Mr B £264 for the portion of the motor engineer's costs that Mr B paid for.
- Pay Mr B 8% simple yearly interest on all refunded and reimbursed amounts from the date of payment until the date of settlement.
- Pay Mr B £300 in compensation for the distress and inconvenience CA Auto has caused him by supplying him with a car that was not of satisfactory quality.
- Remove any adverse information from Mr B's credit file in relation to the agreement.

If CA Auto considers that tax should be deducted from the interest element of my award, it should give Mr B a certificate showing how much it's deducted, so that he can reclaim it, if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 July 2025.

Jane Gallacher  
**Ombudsman**