

## The complaint

Mr L complains that a car supplied to him under a personal contract purchase with CA Auto Finance UK Ltd (CAF) is of unsatisfactory quality.

## What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which said:

*In June 2023 Mr L entered into a personal contract purchase with CAF to acquire a used car. The cash price of the car was £17,995.00 with an advance payment of £1,404.15 being paid. The total amount payable on the agreement was £24,148.43, payable over 49 months. This was made up of a first payment of £318.11, to be followed by 47 monthly payments of £318.11, with a final repayment of £7,475.00 being due.*

*Mr L explained he was interested in the vehicle, and on a test-drive noticed the boot came open whilst driving, causing him to have to pull over and close it, alongside noticing the interior of the car was in bad condition as well as being unclean. Mr L states he was told the issues would be sorted before handover, as well as a service and MOT being carried out.*

*Mr L explained once he collected the vehicle, he was told he'd need to bring the vehicle back in after the weekend to have the service carried out and the repair to the damaged interior and cleaning. Once he took the vehicle home, Mr L realised there were further issues. He explained that the tailgate was coming open while driving again, he was having several electrical problems with the car and the MOT hadn't been carried out as he was expecting.*

*Mr L took the car back in and the dealership provided a courtesy car. After the MOT was completed, Mr L was told he'd need to pay £200 for a tyre issue found during the test. Mr L stated he asked to reject the vehicle as he was unhappy with the issues at this point. Mr L then stated he found he was obstructed from rejecting the vehicle.*

*As the courtesy car was due back, Mr L explains he had to collect his own vehicle. He said the interior damage was not repaired, it hadn't been cleaned well, but the tailgate and other issues appear to have been resolved.*

*However, over the course of a month, Mr L explained he'd had to call the dealership about repeated issues with the electronics of the vehicle and the issue with the tailgate continuing.*

*He explains he was told these would be fixed when the car was brought in for the tyre repair, but this wasn't able to be carried out yet due to having to wait for the part needed. Whilst Mr L was waiting for this, the tyre blew around 6 weeks after the sale of the vehicle. Mr L had complained to the dealership early after receiving the car and after some discussion around the fix to the tailgate simply needing two clips replacing to fix, Mr L then appears to have accepted an offer in full and final settlement in July 2023 in relation to the handover condition of the vehicle and the cost of the tyre replacement. Mr L later explained that some repairs that formed part of this acceptance were never carried out.*

*Mr L had continued to encounter issues and so complained to CAF, and an inspection from an independent car inspector was booked to investigate the issues in June 2024. This inspection largely considered the vehicle to be in reasonable condition for its age and mileage but mentioned issues with the tailgate.*

*Mr L was unhappy with the actions being taken and brought his complaint to this service, where it was passed to one of our investigators.*

*The investigator upheld the complaint. She considered the tailgate was an issue and there was a problem with the centre console. The investigator considered these were present at the point of sale of the vehicle and said the fairest way to resolve the complaint is to have these repaired, alongside having the other electronic issues mentioned by Mr L inspected as they appear intermittent. The investigator agreed £150 was appropriate for distress and inconvenience as offered by CAF in their response to the complaint.*

*CAF agreed with the outcome. Mr L also agreed with the outcome, with some clarifications on what was expected to be repaired. In August 2024, the complaint was closed and awaiting CAF to carry out the redress. Over the next two months, there is discussion about the repairs and who will carry them out. In early October 2024, Mr L explains the boot trim has fallen off again and is trying to chase up the repairs. CAF then explain they will cover repairs up to £2,000 if Mr L is having these carried out with a third-party repairer. As this is less than the repair quote he's been given, Mr L agrees to have the dealership carry out the repairs. Over the month of October, it appears that the option of moving into a new vehicle is being discussed, but Mr L isn't happy with the options provided. After some discussion, the vehicle is booked in with the dealership towards the end of November 2024 for a diagnostic check on what needs doing.*

*In the mean-time, the investigator issued an updated outcome on the recent interactions Mr L had with the dealership and CAF, and explained she couldn't say CAF were responsible for the dealership's actions in moving things along. Mr L accepted this and this will not form part of this decision.*

*Once the dealership inspect the car in late November 2024, this shows a recall was carried out for doors not always locking and windows sometimes going down, a new centre console, heater controls and repair to the trim around the gear selector were all needed due to damage, the media screen needed replacing due to pixelating and confirmed the tailgate trim was falling down, advising a new trim and clips needed to be provided with the trim around the boot latch missing.*

*In addition to this, the investigator contacted CAF as Mr L encountered a fault with the cruise control in early December 2024. CAF asked for more time to respond, but nothing was received for some time despite chasers being sent. In mid-February 2025, Mr L got back in touch with the investigator to explain the tailgate trim had now fallen completely off and wants to reject the car again.*

*The investigator chased CAF again without response. In March 2025, the investigator put forward the complaint for final decision as she had been unable to reach a resolution with CAF in a reasonable timeframe. Up to the current date, CAF have still not been back in contact with this service about this complaint or repair needed from January 2025.*

*Mr L explained the vehicle needed further repair after an incident, and the repairs needed as a result of this incident were covered through his insurance.*

*As a note, I can see the investigator explained they wouldn't look at the car not being fully ready at handover with the valet, interior trim condition and tyre issue as Mr L accepted an*

*offer from the dealership in full and final settlement on these issues. Mr L explains the agreed repairs that led him to accept this offer were never carried out.*

As Mr L is now unhappy with the repair redress, and CAF have not responded, the complaint has been passed to me to make a final decision.

I sent Mr L and CAF my provisional decision on 3 June 2025. I explained why I thought the complaint should be upheld. The key parts of my provisional findings are copied below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

*There is a lot of information that has been supplied in this complaint, and whilst I may not comment on everything, I have carefully considered each piece of information to guide my decision.*

*Mr L acquired a car under a personal contract purchase. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr L's complaint about CAF. CAF is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.*

*The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.*

*So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history. The CRA also explains the durability of goods is part of satisfactory quality.*

*In this case, Mr L acquired a car that was around four and a half years old and had travelled over 40,000 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered more wear and tear when compared to a new car or one that is less travelled. There's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.*

*I've reviewed the available evidence about the issues Mr L experienced with the car. Based on what I've seen, I'm satisfied that there were faults with the car. I say this because neither CAF or Mr L dispute the vehicle has been faulty. CAF have agreed there were faults with the tailgate trim and centre console and these have required repair. I've also seen diagnostic reports showing other work needed to be carried out on the vehicle. Having considered the car had faults, I've considered whether it was of satisfactory quality at the time of supply.*

*Firstly, I've looked at the issues Mr L had, to see if the car had faults that were present or developing at the point of sale.*

*From the information I have, it is clear Mr L was unhappy with the state of the car when he picked it up. There are parts of this condition that Mr L accepted a full and final settlement offer on, such as the cleaning and damage to the inside trim. So I won't focus on these as there was an accepted offer. However, it's clear the boot trim has been an ongoing issue throughout Mr L's ownership of the vehicle. He noted this after he took delivery of the vehicle, and was told this would be repaired. When the independent inspector looked at the car, they noted the tailgate trim was loose and can not be refitted as the retaining clip pillar mounts are distorted and misaligned from past refitting attempts.*

*This information persuades me of two things, firstly the issue was present at the point of sale, as the dealership said this needed repairing themselves in response to Mr L's complaint to them shortly after he took delivery of the car, and secondly, the tailgate trim has been the subject of a failed repair. Since the inspection, Mr L has also explained he's experienced the trim falling completely off the tailgate and has supplied a photo suggesting this. As such, Mr L is within his rights as laid out by the CRA to reject the vehicle.*

*I also wanted to comment on the issue of Mr L wanting to reject the vehicle by exercising his short-term right to reject as laid out by the CRA. From the information I've got, I can see Mr L did want to take this option. He did then agree to the dealership attempting to repair the issues, and as such, this short-term right to reject was no longer applicable. However, he should have been allowed to reject the vehicle when it was clear there had been a failed repair.*

I invited both parties to make any further comments. CAF did not respond to the provisional decision. Mr L responded and raised some points he wanted considered in relation to supporting his position in the complaint. Now both parties have had an opportunity to comment, I can go ahead with my decision.

### **What I've decided and why**

As Mr L responded with points he wanted considered, it will be useful for me to provide answers to these here where needed.

Mr L explained he thought the timeline was a little bit skewed and clarified some of the events. I thank Mr L for this and the timeline provided from his point of view earlier in the complaint. I was able to use this alongside other evidence provided in my provisional decision. I acknowledge why Mr L felt the timeline could come across as a little skewed as I referred to some discussions he'd had out of chronological order, but where they fit best in the decision, alongside, I won't always comment on everything raised, however I will always consider every piece of information to inform my decision. I thought it would be useful to clarify further what I've considered regarding the failed repair here.

Mr L reported the tailgate issue before he had purchased the vehicle. He hadn't entered into the agreement at this point. Once he has entered into the agreement, Mr L has again raised the tailgate issue as he was expecting this to be sorted as agreed before purchasing the car. Mr L explained that this then appeared to be sorted, but quickly found out that this had not been and was raising this again with the dealership amongst other issues before the tyre blowout. It was further down the line during the inspection report that the engineer noted the failed repair. The repair had failed earlier than this point, this was just when it was confirmed by an independent third party.

Alongside this, Mr L has explained he feels the dealership forced him to keep the car against his will, they did not carry out the repairs they'd agreed to and as such the settlement was null and negated when the dealership did not complete the repairs. Mr L added that he was forced to keep the car against his will and had no other option but to use it. Mr L explained that he'd been experiencing an issue with the cruise control and this was present since purchase, however the dealership refused to acknowledge it and as such this was not included on the job card for repair costs due.

Additionally Mr L said the deal should have been reversed at the point of rejection, it was an infringement of his consumer rights and as such any monies CAF have received following this should be subject to loss as they were gained illegally, the monthly payments for the car would now be Mr L's as an asset, in the form of the previous car. Mr L also explained the agreement was following a failed attempt to repair, which he stated, at the time, was the only

opportunity that the dealership would have. Mr L said that for clarity, this is again when the email regarding the boot clips was sent and the dealership failed to produce a job card. Mr L said he was told he had no other choice and that everything would be repaired. Mr L went on to say it was all simply a lie, so they could unlawfully charge him for a car. He also said the dealership lied to CAF confirming they had completed the repairs, meaning his complaint was closed down and he had to restart the process again.

I acknowledge Mr L wanted to reject the vehicle, and I have seen communications from him where he states he wants to do this. However, I have to consider that he has ultimately agreed to repairs happening on the vehicle after this. I appreciate Mr L's position that he was coerced into keeping the vehicle and that some of these repairs weren't carried out. Mr L has mentioned he was forced to keep the vehicle. From Mr L's testimony, he's explained the dealership were making it difficult for him to reject the vehicle and he's also confirmed he was in touch with the finance company, but that he was told different information about who was stopping the rejection of it. Whilst I acknowledge what Mr L has said, he would have been within his rights to continue trying to reject the vehicle if this was his preferred course of action and could have complained again if he felt his rights were being obstructed. I acknowledge why Mr L is unhappy about this process and feeling coerced into keeping the vehicle. Mr L should have been allowed to reject the vehicle when it was clear the tailgate repair failed, following the dealership being given a chance to repair it by Mr L after entering the agreement.

I'm persuaded that there have been times where Mr L has accepted a repair, he also did not disagree with the investigator's outcome, that a repair of the vehicle was a fair outcome when this was issued. So, whilst I acknowledge Mr L feels he's been coerced and forced into keeping the vehicle wrongfully, and I don't doubt what he's said is true to the best of his knowledge, I do think Mr L has been willing to accept some repairs. As I've explained above Mr L has accepted repairs, and whilst he may have said the dealership had one opportunity to put things right, he has allowed them another. I'm unable to comment on what the dealership may have said or the actions they carried out, but Mr L may be able to raise a complaint with the dealership directly about the conduct mentioned if this didn't form part of his first complaint, or through another alternative dispute resolution scheme that has the power to investigate complaints like this one about the dealership.

Mr L has explained the vehicle was unsafe to drive since purchase due to the technical faults with the cruise control and sensors. Mr L added that his average speed in the car was 60 miles per hour, and he covers 80 miles of motorway driving a day for work. Mr L said use of the car was impeded to the worst level it could have been and he had no choice but to continue using it. I acknowledge what Mr L has said here and again don't doubt this is true to the best of his knowledge, however Mr L has travelled significant mileage in the vehicle, with the faults being intermittent. Video has been provided of the cruise control issue Mr L has explained happened, but this was not replicated by the independent inspector so will not have been present all of the time. Altogether I'm not persuaded Mr L has had impeded usage of the vehicle to the worst level it could have been based on the above information, but I acknowledge why he feels this way about it.

Mr L stated he tried at every juncture to reject the car and has been lied to, coerced and basically bullied into keeping it. He added he strongly feels that he should be entitled to some of his payments back, given that the car was unsafe to drive and that this was well documented, with the video evidence from time of purchase, and that he feels very much like the dealership and CAF have gotten off completely free, with no loss at all. Alongside this Mr L explained the price for the car was high for the model and it was only that he'd been assured everything would be up to standard that he agreed to the sale, and for a car of the standard this was, the price would have been cheaper, with the monthly payments being less.

I'm unable to comment on what a different vehicle under a different agreement may have been worth or cost, but I acknowledge why Mr L has raised this as he doesn't feel the car he purchased was worth it given the issues he's had. The Financial Ombudsman Service process is not designed to ensure a business suffers a loss when something has gone wrong, but fairly redressing issues where something needs putting right. I acknowledge why Mr L feels so strongly about receiving some of his payments back. However, Mr L has been able to achieve significant usage of the vehicle throughout his time owning it. This mileage is not unreasonable as he has needed to use it to get to work. For me to consider that a refund of some of the monthly payments would be due in this case, I'd need to see something like Mr L suffering significantly impaired mileage impacting his ability to travel significantly in the vehicle. I have taken into account what Mr L has said about having an unsafe vehicle. There have been occasions where things have gone wrong, systems haven't worked correctly, and repairs were not carried out. This is considered and answered in the distress and inconvenience award in my decision.

I'm aware of Mr L's strength of feeling around how he was treated by the dealership, and that he feels he should've been allowed to reject the car from within the first week of ownership. I've explained why I'm persuaded Mr L gave chances to repair the vehicle. However, even if I was satisfied Mr L should have been allowed to reject the vehicle when he first raised the rejection request, that he did not allow repairs, and this rejection was not correctly acted upon, my decision would still be that the agreement should now be treated as terminated, with Mr L now able to reject the car as he should have been. However, Mr L would still need to pay for his usage of the vehicle over the time he had it.

I appreciate what Mr L has said around feeling like he has lost the monthly payments made towards the vehicle, and this could have gone to another vehicle or his old car if he was able to reverse the deal. I'm unable to comment on what might have happened under different circumstances and with a different agreement. There is no guarantee that a different path would have been fault free. I must decide on what is fair and reasonable based on the vehicle provided under the agreement signed in this case. Here, it is fair that Mr L is allowed to reject the vehicle because repairs had failed, making the vehicle of unsatisfactory quality. It is also fair that Mr L must pay for his usage of the vehicle, which based on the mileage information available, I'd describe as above average mileage. This is not unreasonable given what Mr L needed to use the vehicle for, however in this case, it is fair for CAF to retain the monthly payments made towards the vehicle, although I know Mr L disagrees with this point. Although Mr L disagrees, I hope I've been able to explain the Financial Ombudsman Service's approach to redress in this case.

I thank Mr L for supplying the information explained and answered above in response to my provisional decision. After I've considered this alongside the existing information and my provisional decision, as none of the information has changed my decision, I see no reason to depart from my provisional findings outlined above alongside the added explanation in response to Mr L's points raised. It then follows that what I'd provisionally decided CAF needed to do to put things right has also not changed.

### **Putting things right**

As I've concluded that the car was not of satisfactory quality when it was supplied, I think it's reasonable that CAF should put things right.

In this case, I do think it's reasonable that CAF had one chance to repair the issues with the vehicle, as Mr L allowed a chance to repair the vehicle within the first 30 days of the agreement. However, I'm persuaded the repair to this has failed. It's at this point, when the tailgate repair fails, that Mr L was within his rights to reject the vehicle as laid out in the CRA.

CAF will need to end the agreement with nothing further to pay, arrange to collect the vehicle at no cost to Mr L and refund the deposit paid, however CAF are entitled to keep any part made up of a dealer contribution if applicable. I then considered whether Mr L should be due any monthly payments back during the time he had use of the vehicle. I can see based on the information recorded during the MOT in June 2024, the mileage was recorded as 56,428 meaning Mr L was able to travel almost 16,000 miles in the first year and the diagnostic information in November 2024 shows that Mr L was able to travel around another 5,014 miles during his ownership of the vehicle up to that point.

The agreement states that there is an annual mileage allowance of 17,000 miles. Based on the amount of miles Mr L was able to travel, I do think he's been able to carry on using the vehicle to a reasonable level in line with the expectations at the start of the agreement, so it would not be a fair outcome for Mr L to receive his monthly payments back. I acknowledge what Mr L has said about his old vehicle and the circumstances he'd have been in had he not entered into this agreement, however it is not a fair outcome to consider what the value of the old vehicle would have been.

Having said this, I've then thought about the impact these events had on Mr L. Mr L has explained this has affected him greatly, with significant impact on his mental health. I acknowledge what Mr L has said about this. I'm persuaded this will have been distressing for Mr L, driving a vehicle he is unhappy with, having to wait long periods for diagnostics or repairs and having to drive a vehicle where things kept going wrong with it and had a failed repair. I'm persuaded he will certainly have enjoyed driving this vehicle less than he would've if there hadn't have been the repeat issues raised. It will have been distressing and disheartening to have to deal with these and in particular the issues he'd been experiencing with the tailgate, I acknowledge it must have been worrying that this could continue to happen at inconvenient times. I have also considered the length of time Mr L has been trying to have these issues resolved without being able to get things sorted making the distress worse. Having considered everything, it is fair for CAF to pay Mr L a total of £650 for distress and inconvenience caused for the reasons explained above. This includes the £150 already offered by CAF in their final response.

### **My final decision**

For the reasons explained, I uphold Mr L's complaint and instruct CA Auto Finance UK Ltd to do the following:

- End the agreement with nothing further to pay.
- Collect the vehicle at no cost to Mr L.
- Refund the deposit paid towards the agreement. CA Auto Finance UK Ltd is entitled to retain any part of the deposit that was made up by dealer contributions if applicable.
- Pay 8% simple yearly interest\* on the above, to be calculated from when Mr L made the payment to the date of the refund.
- Pay Mr L a total of £650 for the distress and inconvenience caused. This includes the £150 already offered in the final response.

\*HM Revenue & Customs requires CA Auto Finance UK Ltd to deduct tax from the interest amount. CA Auto Finance UK Ltd should give Mr L a certificate showing how much tax it has deducted If he asks for one. Mr L can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 July 2025.

Jack Evans  
**Ombudsman**