

The complaint

Mr S is unhappy that a car supplied to him under a hire purchase agreement with CA AUTO FINANCE UK LTD (CA Auto Finance) was not safe, and was not of a satisfactory quality.

Mr S is represented in this case by Miss A, and a legal representative. For ease of reading, I'll refer only to Mr S.

What happened

In February 2024 Mr S was supplied with a used car through a hire purchase agreement with CA Auto. He paid an advance payment of £545 and the agreement was for £28,986 over 60 months; with 59 monthly payments of £440.11 and a final payment of £450.11. At the time of supply, the car was around six years old, and had done 49,792 miles.

Eight weeks later, in May 2024, the car caught fire. Mr S said that this was because CA Auto had supplied him with a car that was not safe, not fault free, and not as described as set out in the Consumer Rights act 2015 (CRA).

Mr S also said that his insurance company refused his claim and cancelled his insurance. He said this was because of undeclared modifications that he wasn't aware of.

He said this incident had caused him PTSD and anxiety, as well as financial stress.

Mr S provided two expert reports. The first was from a local garage. It said that failure of the Diesel Particulate Filter (DPF) caused the fire. Its inspection found that the bolts were not original factory bolts, and this confirmed there had been a DPF delete/modification.

It also found that the DPF material was no longer present. It described evidence that the vehicle had been modified before it was supplied to Mr S. It said the Engine Control Unit (ECU) had previously been removed, and contained a non-original map and had been modified.

It said the vehicle had been modified "*to an illegal and unsafe standard*" and this caused the DPF to fail leading to the "*catastrophic failure*" and fire.

The second report was an opinion from a qualified master technician and qualified ECU technician. He said he'd reviewed the evidence of the damage to the ECU, and the DPF, and believed that the vehicle had been illegally modified prior to supply. He said there had been incorrect coding to the ECU, and this led to the DPF regeneration being the cause of the fire in this case.

CA Auto didn't uphold Mr S' complaint. They said they'd hadn't seen evidence that showed the cause of the fire was present from the point of sale.

Mr S was unhappy with this response, so he referred his complaint to the Financial Ombudsman Service for investigation.

Our investigator said both reports provided by Mr S had identified modifications to the vehicle that had been carried out before it was supplied to Mr S. He said this meant the fault was deemed to be present at the time of supply, and this made the car not of a satisfactory quality. He said Mr S should be allowed to reject the car and the hire purchase agreement ended with nothing more to pay.

CA Auto initially accepted our investigator's outcome. However, they later said they'd received new evidence in the form of photographs of the fire damaged vehicle. They said the severity of the damage meant the cause of the fire could not be determined and liability could not be established.

They provided the results of an inspection they had commissioned from an independent engineer with specialist expertise in thermal incidents and analysis of mechanical failures. This report said the fire was caused by a failure of the exhaust flexi assembly, and disagreed with the findings of the previous reports.

Our investigator explained that he found this report to be more persuasive, due to the thoroughness of the investigation, the professional standing of the engineer, and the clear and consistent conclusion he had reached.

He said that the report disproved the initial allegations, and provided an alternative cause of the fire. So he didn't think CA Auto needed to do anything to resolve the complaint.

Mr S disagreed. He said the report provided by CA Auto did not provide an alternative cause for the fire, and failed to disprove the original findings.

Because Mr S didn't agree, this matter has been passed to me to make a final 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Where evidence has been incomplete or contradictory, as it is in this case, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

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 was good industry practice at the time. Mr S was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr S entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that 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 and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their safety, and durability.

So, if I thought the car was faulty when Mr S 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 this right.

It's not disputed there was a fault, and it appears to be agreed that the fault caused the fire that burnt out the car.

What is disputed is the actual fault. Expert reports provided by Mr S say the fault was a failure of the DPF. The expert report provided by CA Auto said that the DPF was intact and not faulty, so was not the cause of the fire. It said the fire was caused by the exhaust flexi assembly.

The issue I need to consider is whether or not the car was supplied with a fault, and that fault caused the fire. If so, then I'd be likely to uphold the complaint.

Mr S says the first report, and others confirm the vehicle fire damage from the vehicle. He says the report commissioned by CA Auto failed to disprove the findings of the first report, and found no other cause.

The first report says: *"I have determined that the DPF (Diesel Particulate Filter) failure caused the fire. This resulted in excessive heat exiting the exhaust by burning a hole in the exhaust just after the DPF failed, it is evident heat was then subsequently spread to the rest of the vehicle."*

It went on to say: *"Upon inspection, it is apparent that the bolts holding the DPF and exhaust to the DPF are not original factory bolts, confirming a DPF delete/modification."*

It also stated that the Engine Control Unit (ECU) had been mapped, meaning that the car had been modified – something that Mr S had not been made aware of when he purchased the car.

The second report says that the incorrect coding of the ECU contributed to the fire. This was because correct coding would've prevented the DPF system becoming active, prevented it regenerating, which the author suggests caused the fire.

Both reports suggest that the presence of non-original bolts were signs that the DPF had been tampered with.

The report provided by CA Auto came to a different conclusion. It said that the DPF was present and didn't report any abnormalities. It said:

"The visible exhaust DPF (Diesel Particulate Filter) was in-situ and secured to a satisfactory standard"

The report also disputed the findings related to the ECU. In particular it said:

"The examiner checked the ECU, pin K on row one, and confirmed this showed evidence of having been replaced . The examiner then went to the adjacent wiring multi-plug, for pin K, row one, which should have evidenced burning (to match the damaged pin) however no charring, discolouration or degradation was apparent to the multi-plug"

Referring to the first report, this report said: *The examiner has also considered the findings of the (first) report which in part, is factually incorrect. The examiner has noted that the report states that because the factory bolts have been replaced, this does not quantify that a DPF delete procedure has been undertaken, it simply means the securing bolts have been replaced, and this could have been for a number of reasons. Furthermore, the report states that the DPF material was no longer present, however, when the examiner inspected the vehicle using a camera bore scope, the ceramic honeycomb material was clearly present from both ends of the DPF...*

The report also explained why it had reason to doubt the finding that the ECU had been modified.

The report concluded that the fire started from the failed front exhaust flexi assembly, and the source was the hot gasses exiting the exhaust. It also concluded that a modification was not the cause of the fire.

I've carefully considered the opinions given in all three reports. The second report was based on a reading of the first report, and not a physical inspection of the vehicle. The first and third reports were the results of physical inspections of the vehicle after the fire.

I'm more persuaded by the contents of the third report – it provides explanations and evidence why the first report is wrong, or why its conclusions cannot be relied upon. It is detailed, and the author is a forensic expert. The explanations are clear and persuade me that the cause of the fire was unrelated to the DPF, or any modifications. This is particularly true in its findings that the DPF was intact, that different bolts didn't mean a modification was done, and the statement that the ECU had not been modified.

Mr S is correct to say that the law says that in most circumstances any lack of conformity with the contract within the first six months is presumed to have been present or developing at the time of supply. But the fact that the car caught fire doesn't mean it was faulty, or unsafe, when supplied and that CA Auto were liable.

I'm satisfied that CA Auto has shown, through the third report, that there was no reason to show that the car was unsafe when they supplied it to Mr S.

Cars do catch fire – approximately 11,000 per year in England according to Government statistics. It's unfortunate this happened so soon after Mr S got the car. But that doesn't mean that CA Auto is liable.

I'm persuaded by the report submitted by CA Auto and written by an independent expert. That's because of the detail, the expertise, and the explanation of the inspection, and the findings. So I won't be asking CA Auto to do anything more to resolve this complaint.

I appreciate this will be disappointing for Mr S. And I acknowledge the trauma he went through when he discovered his car was on fire. Thankfully no one was injured. But I'm satisfied the cause of the fire was not due to the car being unsafe or faulty when supplied to him by CA Autos.

I'm not commenting on the decision of the insurance company. If Mr S is unhappy with that decision that would need to be the subject of a separate complaint.

My final decision

For the reasons explained, I don't uphold Mr S' complaint about CA AUTO FINANCE UK LTD.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 July 2025.

Gordon Ramsay
Ombudsman