

The complaint

Mrs M complains that CA Auto Finance UK Ltd (CA Auto) supplied her with a used van under a hire purchase agreement that was of unsatisfactory quality.

What happened

Mrs M entered into a hire purchase agreement with CA Auto on 27 August 2024 for the supply of a used van that was around three years old and had travelled around 92,527 miles. The cash price of the van was £16,788 and Mrs M made an advance payment of £1,000. Under the hire purchase agreement, Mrs M was to make 59 monthly payments of £367 and a final monthly payment of £377.

Mrs M's hire purchase agreement became effective on 29 August 2024. On the same day, and presumably before Mrs M took delivery of the van, it failed an MOT. The MOT certificate said all four brake discs were "*seriously weakened*". The supplying dealership has said it replaced the brake discs on the same date and, on that date, the van passed a second MOT.

In February 2025, the van's brakes failed – and I believe Mrs M collided with a lamppost to avoid hitting another vehicle. Because of the damage it sustained, Mrs M's insurer subsequently wrote the van off. I understand the amount outstanding under Mrs M's hire purchase agreement at this time was £15,044.49. The insurer paid CA Auto (via a broker) £10,386, leaving Mrs M liable for the shortfall of £4,658.49.

Mrs M complained to CA Auto that the van's brakes were faulty, having failed without warning. CA Auto didn't uphold Mrs M's complaint. It said Mrs M had advised the supplying dealership that the van had travelled around 111,000 miles at the time of the collision, so it had covered over 18,000 miles since it was supplied. CA Auto said this implied the van was durable and there were no issues with it at the time of supply.

Unhappy with CA Auto's response, Mrs M referred her complaint to us. The investigator who looked at it didn't uphold it. Given how far the van had travelled without any signs of a problem before the brakes failed, she thought it was of satisfactory quality when it was supplied.

Mrs M disagrees with our investigator's findings. She says brakes don't fail without warning and nothing showed on the van's dashboard to warn her there was a problem with the brakes or the van needed servicing.

So Mrs M's complaint has come to me to decide.

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 not to uphold Mrs M's complaint, as I'll explain.

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

Mrs M has told us she used the van for social and domestic (and not business) purposes. So the Consumer Rights Act 2015 (CRA) covers agreements such as Mrs M'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 Mrs M's case those relevant circumstances include, but are not limited to, the age and mileage of the van, 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.

As I've mentioned, when CA Auto supplied the van to Mrs M, it was around three years old, had done around 92,527 miles and had a cash price of £16,788. I wouldn't have the same expectations of this used van as I would of one that was brand-new. As with any vehicle, there'll be ongoing maintenance and upkeep costs. In used vehicles, it's more likely parts will need to be replaced sooner or be worn faster than in brand-new ones. So CA Auto wouldn't be responsible for anything that was due to normal wear and tear while the van was in Mrs M's possession.

In deciding whether or not Mrs M's van was of satisfactory quality, I first need to decide if there was a fault with it. Given that Mrs M was involved in a collision caused by the van's brakes failing, there's no doubt there was a fault at the time of the collision.

But it doesn't automatically follow that this meant the van was of unsatisfactory quality when supplied, so that's what I've gone on to consider next.

The first thing I've considered is that the van passed a second MOT on the day CA Auto supplied it to Mrs M. An MOT involves an inspection of a vehicle's braking system. The van had failed its first MOT earlier on the day of supply due to weakened brake discs. But these had been replaced on that day and the van had passed the second inspection, again on that day.

The second thing I've considered is the diagnostic report given by the mobile mechanic who came to Mrs M's assistance after the collision. He said the brake fluid reservoir was empty and the brake pedal had no resistance, going straight to the floor when pressed. He said the offside rear wheel showed excessive burnt material, the brake disc showed signs of severe overheating and discolouration and no brake pad material remained within the caliper, which was also burnt and discoloured. The mechanic's conclusion was that the offside rear caliper likely seized, causing the brake pads to bind against the disc, generating excessive heat and leading to brake fade and failure. He also said the lack of brake fluid suggested possible system damage, which may have contributed to the accident.

The third thing I've considered is that Mrs M's van had travelled over 18,000 miles in the five months since CA Auto supplied it, without her having found any fault with the brakes (until the collision).

Looking at all of this evidence, I'm not persuaded it's likely the van was of unsatisfactory quality when CA Auto supplied it to Mrs M. It had passed an MOT on the day of supply, having had its brake discs replaced. The brake lines and calipers are checked for leaks as part of an MOT. The van had travelled more than 18,000 miles since supply without any reported issues with the brakes. And there's nothing in the mobile mechanic's diagnosis (or in any other evidence I've seen) to indicate the faults found after the collision were likely present or developing at the time CA Auto supplied the van to Mrs M.

Mrs M has also said the van is faulty because it didn't generate any warnings on its dashboard to show the brakes required attention (her make of van has a system that assists a driver in this regard). But Mrs M has given us no expert evidence to show a fault with this system was present or developing at the time of supply. And Mrs M's testimony alone isn't enough to persuade me it's more likely than not there was such a fault. In any case, I don't think any driver assistance system overrides a driver's responsibility to carry out routine checks and maintenance on his/her vehicle. For these reasons, Mrs M's arguments on this point don't change my conclusions on her complaint.

My final decision

For the reasons I've given, I don't uphold Mrs M's complaint.

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

Jane Gallacher
Ombudsman