The complaint

Miss B complains that CA Auto Finance UK Ltd (CA Auto) supplied her with a used car under a personal contract purchase (PCP) agreement that was of unsatisfactory quality and had parts that weren't made by the original manufacturer.

What happened

Miss B took out the PCP agreement with CA Auto on 19 August 2023 for the supply of a used car. The cash price of the car, which was around six years old and had done around 18,600 miles was £24,585. Under the agreement, Miss B made an advance payment of £9,500 and was to make 23 monthly payments of £206.34 and a final payment of £13,558 at the end of the contract term in month 24.

The history with this car is long and I haven't found it easy to unravel everything that's gone on with it. So I'll set out broadly what I think its history is.

- On 15 August 2023, before being supplied with the car, Miss B had a conversation with the dealership on a messaging app in which she asked it to confirm the new wheels the car was being fitted with (it seems the existing ones were damaged) were genuine manufacturer's wheels and not replicas. She was told by the dealership they were "*genuine*".

- On 21 August 2023, two days after taking delivery of the car, Miss B emailed the dealership about a fault on the dashboard. She refers to tyre pressures and "*sensors offline faults*" (faults she says appeared on the day she collected the car). She also asked the dealership to reset the "*car system*" because "*all features are now unavailable ie reversing camera, phone, etc*". Miss B has sent us a photo of the dashboard, dated 21 August 2023, which shows the warning: "*Tyre press. monitor inoperative. No wheel sensors.*"

- On 22 August 2023, in a further conversation with the dealership on a messaging app, Miss B sent a photo showing the media screen wasn't working. There's another photo of the dashboard showing the tyre pressure warning light.

- On 12 September 2023, according to a screenshot from the dealership that CA Auto reproduced in the final response letter it sent to Miss B about her complaint, new tyre-pressure monitoring system sensors were fitted to the car. I'm assuming this repair was connected to one of the initial faults Miss B reported in August 2023.

- On 2 January 2024, Miss B emailed the dealership again saying: "*Car does not drive well since the engine issue it has got worse as time has gone on…*". I can't see what "*engine issue*" Miss B is referring to. But, from her email, it seems Miss B reported a problem on 13 December 2023 and had since been chasing for updates. In her January email, Miss B also asked for the radio to be reprogrammed and for the personalised message on the media screen (which it seems referred to a previous owner) to be removed.

- On 23 February 2024, according to a screenshot from the dealership that CA Auto reproduced in the final response letter it sent to Miss B about her complaint, a new NOX sensor was fitted (and a second replacement NOX sensor was fitted on 5 June 2024).

- On 26 February 2024, Miss B emailed the dealership about the wheels, which she said she'd been told were copies. She also said the "*check engine*" light was on and the car had a warning light saying to add AdBlue. Miss B said she'd added AdBlue but the car wasn't registering it. She also referred again to fixing the radio and removing the name from the media screen.

- Also on 26 February 2024, Miss B was sent an email from a specialist wheel company which said the new wheels on the car were "*non-genuine*"; that is, they weren't made by the original car manufacturer. The wording of the specialist's email wasn't entirely clear but it has recently confirmed to Miss B that, in its view, the wheels were replicas.

- On 13 March 2024, Miss B got a diagnostic report on the car, which she sent to the dealership and CA Auto. This identified two problems. The first was with the engine control unit – the report said the exhaust aftertreatment system had been tampered with. The second was with the front signal acquisition control unit – the report said the starter battery had excessive resistance.

- On the same day, Miss B complained to CA Auto by phone referring to issues with AdBlue, the battery, the wheels (which she said were veining because they weren't genuine) and the engine management light being back on. On 13 and 30 May 2024, Miss B emailed the dealership's customer services team to complain about a month-long delay by the dealership in responding to her issues with the car. She described these as being with the wheels, the media screen, the radio and the battery.

- On 24 July 2024, Miss B complained again to CA Auto about the issues she was having with the car – its wheels, the media screen, the radio and the car not running smoothly.

- On 19 September 2024, CA Auto sent Miss B its final response on her complaint, which it didn't uphold. It said this was because Miss B hadn't raised the issues she was complaining about in an earlier complaint (one that had been resolved) and so it didn't think they were present at the time of supply. As a gesture of goodwill, however, CA Auto offered to arrange an independent inspection of the car.

- On 16 October 2024, the independent inspection was carried out. The inspection report said Miss B's complaints were about a battery issue, the tyres, the car struggling to drive uphill and an engine management light. It also mentioned the media screen and the radio and the satnav working only sporadically.

On the test drive, the engineer noted a vibration coming through the wheels. He also said there was uneven wear across all the tyres. His inspection report said there appeared to be an issue with the suspension, which could be affecting the car's geometry and causing the uneven tyre wear. Given the car had only travelled 5,770 miles in the 14 months since CA Auto supplied it to Miss B, the report said that, on the balance of probabilities, this fault was present when the car was supplied. It recommended inspection of the wheels for serious damage and a balancing and geometry check.

The report said it was difficult to verify if the battery fault was present at the time of supply. But it said the battery should be replaced as a priority to see if it affected the operation of the media screen.

The report also said the statement made in Miss B's diagnostics report that the exhaust aftertreatment system had been tampered with needed attention. It said that whatever work was carried out to the component was "*probably*" by a previous owner.

The report concluded that further in-depth diagnosis was required as to the cause of all the issues, preferably by the manufacturer or a specialist.

- Because Miss B says she heard nothing from CA Auto following the independent inspection report, she referred her complaint to us. Miss B has since said the dealership has said it's unable to do anything further and other garages have refused to carry out any work on the car.

- On 27 March 2025, Miss B took the car to an original manufacturer's specialist. On 1 April 2025, the specialist emailed Miss B to confirm the media screen was not the manufacturer's original equipment, meaning it couldn't be tested by them. Miss B has said she was told this was why the radio and phone didn't work and the previous owner's name couldn't be removed from the screen.

The investigator who looked at Miss B's complaint didn't uphold it. He thought the problems Miss B was experiencing were due to a reasonable level of wear and tear.

Miss B disagreed with our investigator's view. She said the evidence she'd given us showed she'd had ongoing issues with the car since the time of supply. So she asked for an ombudsman to review her complaint.

In my provisional decision of 11 June 2025, I explained why I intended to uphold Miss B's complaint. CA Auto hasn't given us any comments on my decision. Miss B has accepted it. But Miss B has also told us she no longer has the car and has settled the finance with CA Auto.

Because of this, I asked our investigator to write to both Miss B and CA Auto to say this new information meant I needed to change what I directed CA Auto to do to put things right for Miss B. In particular, I said I'd be directing CA Auto to refund any payments Miss B had made in excess of the original cash price of the car less the advance payment she'd made (plus interest). And I gave Miss B and CA Auto some time to give me any comments they had on what I said. Miss B has given us some comments while CA Auto hasn't responded.

Miss B's complaint has now come to me for 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.

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.

For the reasons I gave in my provisional decision, I've decided to uphold Miss B's complaint.

In that decision, I said:

"… the evidence I've relied on to reach my provisional decision on this complaint has been given to us almost exclusively by Miss B. In its business file, CA Auto gave us very little information about Miss B's complaint. If CA Auto has any other information to support its position that the car was of satisfactory quality when it was supplied to Miss B, it should send it to us.

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

In looking at Miss B's complaint, I've taken into account section 56 of the Consumer Credit Act 1974, which explains that a finance provider (in this case, CA Auto) is liable for what it says and for what is said by a credit broker or supplier before a consumer enters into a credit agreement.

In addition, the Consumer Rights Act 2015 (CRA) covers agreements such as Miss 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 whether the car was sufficiently durable.

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 the 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 Miss B, it was around six years old, had done around 18,600 miles and had a cash price of £24,585. So I wouldn't have the same expectations of this used car 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. That means CA Auto wouldn't be responsible for anything that was due to normal wear and tear while the car was in Miss B's possession. But given the car's age, mileage and the price paid, I think it's fair to say a reasonable person wouldn't expect anything significant to be wrong shortly after it was supplied to Miss B.

That hasn't been Miss B's experience. As I've described, Miss B had a series of problems with the car from the beginning. These ranged from the media screen, radio and phone not working properly, to various warning lights appearing on the dashboard at different times. Shortly after getting the car, the tyre pressure monitoring system sensors and the NOX sensor had had to be replaced. And within the first six months, Miss B complained the car was shuddering when being driven. The independent inspection carried out around 10 months after CA Auto supplied the car seems to corroborate Miss B's driving experience. It noted vibrations coming from the wheels and queried a suspension problem with the car. It said this required further investigation (which, as far as I'm aware, hasn't happened). On the balance of probabilities, and given that Miss B had driven around 5,770 miles since getting the car, the report concluded this fault was present at the time CA Auto supplied it to Miss B.

And the independent inspection report also said any tampering with the exhaust aftertreatment system was "probably" done by a previous owner; that is, before CA Auto supplied the car to Miss B.

It's possible that not all the faults Miss B has had with the car were present at the time of supply. The battery issue may be an example – I say this because the inspection report said it was difficult to know if this was present at supply. With the possible exception of the battery issue, I haven't seen any evidence so far (from CA Auto or anyone else) to suggest the various other faults Miss B reported weren't present at the time of supply.

Based on the evidence I have so far, I think it's likely the car had inherent faults when CA Auto supplied it to Miss B and so was of unsatisfactory quality.

Miss B has also complained that the wheels she was supplied with weren't manufactured by the car maker and she's since found out the media screen wasn't either. If Miss B was given a false statement of fact and if that false statement of fact was a significant reason why she entered into the PCP agreement, I may think the car was misrepresented to her. There may also be a misrepresentation by omission – that is, a failure to disclose something material to Miss B.

CA Auto has said the dealership's position is that Miss B chose the wheels herself. But Miss B has shown us she asked for, and was given, confirmation by the dealership that the wheels were "genuine"; that is, manufactured by the car maker. And she's also given us the opinion of a specialist wheel company that the wheels supplied were replicas. So I think it's likely the dealership made a false statement of fact about the wheels being "genuine" before the car was supplied to Miss B.

CA Auto also says the dealership says Miss B was supplied with a car with a "non gen screen". In contrast, Miss B says she paid more for the car because it had an upgraded screen. Evidence Miss B has given us shows that, in fact, the screen wasn't manufactured by the car maker. So it's now clear Miss B was supplied with a car that didn't have an original manufacturer's screen. I think it's highly unlikely Miss B would've knowingly chosen a car with a "non-genuine" screen. And CA Auto has given us no evidence to show Miss B did this. I think it's more likely than not Miss B wasn't told the screen wasn't genuine.

Based on what I've seen so far, I think that, had Miss B known the tyres weren't made by the car manufacturer, she would've asked to have different tyres fitted; that is, ones that were made by the manufacturer. And, if that wasn't possible, I think it's likely Miss B wouldn't have gone ahead with the car and the finance. Likewise, and again based on what I've seen so far, if it had been disclosed to Miss B that the media screen wasn't made by the car manufacturer, I think it's likely Miss B wouldn't have gone ahead.

So my current conclusions on this complaint are that, firstly, CA Auto supplied Miss B with a car that wasn't of satisfactory quality and, secondly, it misrepresented – both directly and by omission – certain features of the car; that is, the new wheels and the media screen.

Having decided what I think CA Auto has done wrong, I now need to explain what I propose it should do to put things right.

Putting things right

Section 24(5) of the CRA says "a consumer who has … the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not confirm to contract." This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs; that is, it's not a single chance of *repair for the dealership AND a single chance of repair for CA Auto – the first attempted repair is the single chance at repair.*

The CRA is clear that, if the single chance at repair fails, as was the case here, then the consumer has the right of rejection. And that's the same remedy Miss B has for misrepresentation.

So, to put things right for Miss B, I intend to direct CA Auto to end Miss B's PCP agreement with nothing further to pay, collect the car at no cost to Miss B and refund her advance payment of £9,500 (with interest).

Miss B's PCP agreement gives her an annual allowance of 5,000 miles after which she must pay an excess mileage charge of 12p a mile. Miss B says her current mileage is 28,641. If, when the car is collected from Miss B, her mileage is in excess of her pro rata annual allowance under her agreement (which I think it will be), CA Auto can deduct the excess from Miss B's advance payment refund.

I believe Miss B has travelled around 10,000 miles in the car since it was supplied in August 2023. And her annual mileage allowance is 5,000 miles. So, since it seems Miss B has had the use of the car that she anticipated when she took her agreement out, I don't think it would be fair and reasonable to direct CA Auto to refund any of her monthly payments.

Miss B says the issues with the car have left her extremely upset and distressed. She's said she doesn't feel safe in it and has avoided some of her usual driving routes because of this. She says she suffers from back and shoulder pain but has been reluctant to use the car to get to the gym. Also that the issues she's had means she hasn't been able to rely on the car to get her to work.

It's also clear from the evidence I've seen that Miss B has spent a lot of time and effort trying, often unsuccessfully, to sort things out with the dealership and with CA Auto.

From what I've seen so far, CA Auto's failure to supply Miss B with a car of satisfactory quality – along with the misrepresentations I've described – have caused her considerable distress, upset and worry, as well as significant inconvenience and disruption that has needed a lot of extra effort to sort out over many months. For this, I intend to award Miss B £500 in compensation for the distress and inconvenience she's been caused."

As I've mentioned, in response to my provisional decision, which Miss B accepted, she also told us she no longer had the car – having handed it back to another dealership – and had settled the finance with CA Auto. CA Auto has also confirmed this and that there's no arrears on Miss B's account.

As I've also mentioned, our investigator then wrote to Miss B and CA Auto (at my request) to say that, since Miss B no longer had the car and the finance had been settled, I'd need to change what I directed CA Auto to do to put things right for her. Miss B has expressed her unhappiness about what this means for her.

Miss B says the 5,000 miles a year mileage allowance on the car was unrealistic and she subsequently asked CA Auto to increase it but her request was refused. Apart from Miss B's testimony, I've got no evidence about this. But I think it's likely the annual mileage allowance was agreed between Miss B and CA Auto before the finance was entered into. So I can't say CA Auto did anything wrong here.

Miss B is also unhappy she won't get her "deposit" back. She says she hasn't broken any contracts or legal obligations and that, had she had an accident in the car, the penalty from the legal system would be greater.

I understand Miss B's disappointment and frustration. But our role isn't to punish a business when we think it's done something wrong. Miss B has explained why she decided to change the car and settle the finance and I understand her reasons. But, at the end of the day, it was Miss B's decision to do these things when she did and in the way she did. Because the car is gone and the PCP agreement has come to an end, I can't now direct CA Auto to take the car back and end the agreement (as I did in my provisional decision, when my understanding was that Miss B still had the car and the agreement was also still in place). And that means I also can't now direct CA to refund Miss B's advance payment.

My final decision

For the reasons given in this final decision and in my provisional decision (which now forms part of this final decision), I uphold Miss B's complaint and direct CA Auto Finance UK Ltd to:

- Refund any payments Miss B has made in excess of £15,085 (representing the original cash price of the car of £24,585 less her advance payment of £9,500) and add 8% simple interest a year from the date of any such payment to the date of settlement.
- Pay Miss B £500 for the distress and inconvenience she's been caused. CA Auto Finance UK Ltd must pay the compensation within 28 days of the date we tell it Miss B has accepted my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.
- Remove any adverse information about the PCP agreement from Miss B's credit file (if any has been added).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 26 August 2025.

Jane Gallacher
Ombudsman