

The complaint

Mr D has complained about the supply of a vehicle under a personal contract purchase (“PCP”) agreement with CA Auto Finance UK Ltd (“CAAF”).

What happened

The circumstances of the complaint are well known to the parties so I won’t go over everything again in detail. But, to summarise, Mr D acquired a vehicle under a PCP agreement with CAAF in March 2024. It cost around £22,500 and the agreement was to be paid back over 4 years. I understand he part exchanged another vehicle at the same time.

Mr D said he was asked to meet the salesperson from the dealer at a car park and he was pressured to sign the PCP paperwork and wasn’t given the time to go over it. He said he later discovered the vehicle wasn’t the model he was sold. And he also said he found out the agreement was a PCP but he wanted a hire purchase. Mr D said the dealer didn’t help him.

I can see Mr D contacted CAAF in April 2024 to say he no longer wanted the vehicle because he was pressured into acquiring it. CAAF said it couldn’t comment on what happened with the dealer. Mr D contacted CAAF again in August 2024 to complain and reiterated what he’d said before and that he was vulnerable. CAAF responded to the complaint in November 2024 and said it thought the paperwork was clear enough and that Mr D had signed it. It said he signed a Vulnerable Customers disclosure to acknowledge he should have informed the dealer if he needed any assistance or if he felt any form of duress. CAAF also said that the dealer had resprayed the car for Mr D because he was unhappy with the paintwork.

Mr D referred his complaint to the Financial Ombudsman. Our investigator didn’t make any recommendations, but Mr D didn’t agree. He reiterated he was unhappy with the way the agreement was sold, and that he also said he received less for his part exchange vehicle than promised.

I issued a provisional decision that said:

I want to acknowledge I’ve summarised the events of the complaint. I don’t intend any discourtesy by this – it just reflects the informal nature of our service. I’m required to decide matters quickly and with minimum formality. But I want to assure Mr D and CAAF that I’ve reviewed everything on file. And if I don’t comment on something, it’s not because I haven’t considered it. It’s because I’ve concentrated on what I think are the key issues. Our powers allow me to do this.

Mr D acquired the vehicle under a PCP agreement. Our service is able to consider complaints relating to these sorts of regulated consumer credit agreements.

I should first point out that I note Mr D has more recently complained about the sum received for his part exchange. I can’t see this formed part of his original complaint, so I’m not dealing with it as part of this decision. If he has evidence this was raised previously he can let me know in response to this provisional decision. Otherwise, if he remains unhappy, he’d need

to take that point up with the dealer or CAAF in the first instance and if he's dissatisfied with its response it may be something our service can consider for him.

CAAF is the supplier of the goods under the PCP agreement and so could be held responsible for a breach of contract – for example if the car was not as per the contract, or was not as described. I think section 56 of the Consumer Credit Act 1974 is also relevant here. This provision has the effect of deeming the supplying dealer to be the agent of CAAF in any antecedent negotiations. So CAAF is responsible for the antecedent negotiations the supplying dealer carried out direct with Mr D.

I think it's difficult to say that the agreement type was mis-sold. Mr D says it was, but the dealer has said it was in order. Mr D has signed the agreement that's labelled clearly as a PCP. He's also signed various other documents. PCP is essentially a form of hire purchase, and I think the agreement was set out clearly enough for Mr D to be able to understand what he was borrowing, and the terms on which the agreement needed to be paid back. I don't think there's sufficient evidence it was mis-sold.

With regards to the vehicle supplied under the agreement, I'm conscious the PCP sets out the specific model clearly enough. The invoice also sets out the particular model, and so if that's the car that was supplied, it's hard to say there was a breach of contract without some persuasive supporting evidence to show otherwise. It's also unclear why Mr D allowed the dealer to respray the car a few weeks after supply if he was seeking rejection.

The evidence from the dealer is very limited. I can see CAAF reached out to it to ask for its version of events. There's not much to go by other than a note where CAAF said the dealer denied the vehicle was misdescribed and that the PCP package was as expected. I understand the salesperson that Mr D dealt with no longer works at the dealer, so I'm unable to obtain further testimony.

Mr D has said the sale wasn't carried out on business premises. Again, it's hard to know what happened, but if the sale was a distance sale it may have meant he had 14 days to change his mind, but we've not been supplied supporting evidence he validly tried to do that. So I don't think this would lead to a different outcome for the complaint.

However, something I did notice was that Mr D spoke to CAAF on 8 April 2024. The notes aren't clear, but I think he expressed that he no longer wanted the vehicle because he was pressured into buying it. CAAF said it was unable to comment and that the agreement can't just be cancelled, but I think he was given a settlement quote. Mr D also spoke to CAAF in August 2024 again saying he was unhappy with the supply. But he was advised to speak to the dealer again. CAAF's position seemed to be that it was not present at the point of supply and that Mr D signed the agreement, so there wasn't any support it could provide.

Moreover, Mr D also attended in person to discuss his complaint. CAAF told him it couldn't speak to him and that it needed to maintain communication over the phone as those calls were recorded. It looks like CAAF eventually took on the complaint at the end of August 2024. CAAF then investigated and sent a final response letter in November 2024.

Overall, I think it's difficult to show the vehicle or agreement were mis-sold. But if Mr D has any further evidence he'd like us to consider, he should let us know in response to this provisional decision. But I do think CAAF missed some opportunities to support Mr D. As I've said above, it has a responsibility under section 56 for the negotiations carried out by the dealer – which seems to fit with what Mr D was unhappy with. It was also required to support Mr D with his financial objectives. I think his dissatisfaction should have been considered properly when he contacted it in April 2024. And I think it should've been made easier for him to pursue his complaint and talk to CAAF about what he was unhappy about. I don't

think CAAF really got to grips with things until quite a few months after Mr D first let it know he was unhappy. I think this has delayed things and caused Mr D some inconvenience. So I'm going to propose CAAF pays Mr D £150 to recognise that.

I can't see we received further correspondence from Mr D or CAAF.

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.

Seeing as though I can't see we've received anything materially new to consider I see no reason to depart from the conclusions I reached in my provisional decision.

My final decision

My final decision is that I uphold this complaint in part, and direct CA Auto Finance UK Ltd to pay Mr D £150.

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

Simon Wingfield
Ombudsman