

The complaint

Mr F complains that a used car he acquired under a PCP agreement (“agreement”) with CA AUTO FINANCE UK LTD (“CA AUTO”) was misrepresented to him. And he says had it not been, he wouldn’t have acquired the car, and he wouldn’t have entered into the agreement.

What happened

Mr F acquired a used car in January 2023 under an agreement taken out with CA AUTO. The cash price of the car was £16,696, and after taking account of a contribution from a part-exchange, the credit provided totalled £14,128. The agreement was set up over a term of 49 months with monthly payments of £242.56, meaning that if the agreement ran to full term, the total amount repayable would be £21,281.88. At the time of supply the car had been driven 64,897 miles, and the agreement permitted Mr F to drive a maximum annual mileage of 8,000 miles per year.

Mr F told us:

- He was led to believe that the car had been previously privately owned because the supplying dealership’s handover checklist identified the *former keeper* as private, rather than trade, fleet or hire;
- he was never informed by the supplying dealership or by CA AUTO that the car had previously been used as a private hire vehicle with Transport for London, and he only discovered the car’s history when he tried to sell it;
- had he been made aware of the car’s history he would never have purchased it and would instead have continued to look for a more suitable car;
- he’d tried to sell the car on an online platform, and was given a price, but when completing its final checks, the online platform advised that it was unable to facilitate a sale (on its platform) because it had identified that a previous owner had used the car as a “taxi”.
- CA AUTO didn’t know the car’s history either, so the agreement was based on false information, and the asset was not what either he, or CA AUTO, believed it to be;
- the car’s history has affected its value, and he’s had to purchase and insure a second car;
- he wants the agreement cancelling; all of his monthly payments returning along with his deposit; the car to be collected, and some compensation for the stress and inconvenience he’s experienced;
- he’s driven nearly 20,000 miles since the car was supplied, but he refutes that he should pay anything towards fair usage.

Mr F told CA AUTO that when he complained to the supplying dealership, it had offered him £8,200 for the car – the price he’d have received had the online platform been able to facilitate a sale.

CA AUTO rejected this complaint. It said it had spoken with the supplying dealership and been advised of its offer. It said Mr F had declined this because he wanted a full refund of all his payments – and said this was unlikely since he’d already driven around 20,000 miles since the car was supplied without issue.

CA AUTO said it hadn't been involved in the sale or verification of the car's condition or history; its role was simply to provide financing. And as the supplying dealership had been unaware of the car's previous use, there could be no misrepresentation. And it said the supplying dealership's offer to buy back the car at the price Mr F had been looking to sell it was a fair solution.

CA AUTO noted that Mr F had driven around 20,000 miles in the 26 months he's had the car *"which indicates that you have used the vehicle without major issues...suggests that this issue did not materially affect your experience with the vehicle..."*

Our Investigator looked at this complaint and said she didn't think it should be upheld. She explained the relevance of the Consumer Rights Act 2015 ("CRA") and Section 56 of the Consumer Credit Act 1974 in the circumstances of this complaint and she concluded that there hadn't been a misrepresentation, or a breach of contract when Mr F acquired the car and she explained her reasons for reaching this opinion; the information provided by the supplying dealership had been accurate and had been in accordance with the car's history. Furthermore, there was simply no evidence of a false statement that could suggest the purchase was induced by the supplying dealership in any way.

Mr F disagrees so the complaint comes to me to decide. He says the supplying dealership either lied or was grossly negligent, and CA AUTO as the legal owner of the car had a duty to check the car's history. He says the length of time and usage he's had of the car is not material here – he used it under false pretences and has not driven it since discovering its history.

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 hope that Mr F won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr F should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my decision.

Having taken everything into consideration, I've reached the same conclusions as our investigator, and I'll explain why.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the agreement entered into by Mr F is a regulated consumer credit agreement this Service is able to consider complaints relating to it. I have also taken into account s.56 of the Consumer Credit Act (1974), which explains that finance providers are liable for what they say and for what is said by a credit broker or a supplier before the consumer enters into the credit agreement.

A misrepresentation is a false statement of fact that induces a consumer to enter into something that they wouldn't have entered into otherwise. And as pointed out by the Investigator, in very limited circumstances, a misrepresentation can also be an omission of a fact. In other words, where something hasn't been said that should have been.

Mr F says that he wasn't advised by CA AUTO or the supplying dealership that the car had previously been used as a private hire vehicle. But I've also noted that none of the other parties here appear to have been aware of this fact either.

I say this because CA AUTO doesn't undertake verifications on a car's history, and the supplying dealership said it was unaware that the car had previously been used as a private hire vehicle. This was because the owner of the car, from whom the supplying dealership purchased it, appears also to have been a private owner. And it was previous owners, further back in time than this who appear to have used the car in a private hire capacity.

I've not seen a copy of the original advertisement for this car; it simply is no longer available. But I have had sight of the *Dealer Handover Checklist* that Mr F refers to. And I've noted at the bottom there is a statement that reads as follows, "*We tend to buy our cars a little differently; negotiating highly discounted prices by purchasing in large volumes at any one time, this enables us to offer our customers our best possible price every time. Our suppliers include, but are not limited to, ex fleet or company vehicles, personal contract hire returns, part exchanges, daily rental, Motability returns, driving school and direct purchases from members of the public. Having looked at the documents for your vehicle, it was previously owned by a Private Owner. As such we have no information as to whether the vehicle was used for business or personal use, or how many drivers it may have had*".

From reading this, it's clear to me that the owner of the car immediately prior to the dealership acquiring it was a *Private Owner* – but it held no information about other owners and it had no information about any owner's usage of the car.

Accordingly, I'm satisfied that there was no false statement of fact by CA AUTO (or the supplying dealership). So, I've gone on to consider whether by omitting to say the car had previously been used as a private hire vehicle constitutes a misrepresentation by CA AUTO (or the supplying dealership).

Although a dealership might make enquiries into a car before selling it, these checks are for its benefit, not the potential purchaser's benefit. However, I would expect that anything a supplying dealership discovered on making its own checks that might have a bearing on a consumer's decision to purchase the car in question be shared with them.

Now it's clear to me that the selling platform that Mr F wished to use to sell the car undertook more, or different, checks than the supplying dealership. But that doesn't mean that the supplying dealership did anything wrong. And I've seen no evidence to indicate that the supplying dealership identified information about the car that should have, as a matter of fairness, been shared with Mr F about the car's previous use.

I would also add that when buying something like a used car there is an expectation that the buyer makes their own enquiries to satisfy themselves of the car's history and price

I appreciate Mr F will be disappointed, especially given that he says the car is valued at less than he thinks it should be, and that one online portal has said it can't help him with a sale – although I noted that it did provide him with the name of another portal that it said would be able to assist him. But I'm satisfied, in the particular circumstances of this case, that there has been no misrepresentation by CA AUTO (or the supplying dealership).

I've noted that Mr F told this Service very recently that he'd now voluntarily terminated the agreement and returned the car. And he says he disputes some costs for damages that CA AUTO has invoiced him for. Our Investigator has explained that Mr F's complaint about the end of contract damage charges isn't something this Service can investigate until he's

raised it with CA AUTO first of all and given it the opportunity to investigate the matter. But if he is unhappy with its response, he can bring a new complaint about these charges to this Service.

In summary, I do not uphold Mr F's complaint. I know he'll be disappointed with the outcome of his complaint, but I hope he understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 7 November 2025.

Andrew Macnamara
Ombudsman