

The complaint

Mr E complains that CA Auto Finance UK Ltd (which I'll call "CA") supplied him with a used car which was not of satisfactory quality under a five-year hire purchase agreement. He says that he was also misled about the car's service history and the terms of a warranty sold with it.

What happened

In April 2024 Mr E entered into a five-year hire purchase agreement with CA for a seven-year-old car which had covered 90,000 miles. Its price was £10,295 and Mr E was to pay £236.92 a month. A two-year warranty was included.

Almost immediately Mr E noticed an engine management light indicating an issue with the car. Mr E also noticed a ticking noise and excessive exhaust smoke.

The warranty funded a diagnosis but not repairs. Mr E says he paid for repairs at the time – the replacement of injector seals – but that the problem reoccurred in November 2024. In February 2025 the engine suffered a serious failure. An engineer suggested the timing belt had broken, necessitating a new engine at a cost of around £9,000.

Mr E referred the matter to CA. It said, however, that, since any faults had not become apparent until more than six months after Mr E had taken delivery of the car, it was for him to show that they had been present at the point of supply. Mr E referred the matter to this service.

One of our investigators considered what had happened but did not recommend that the complaint be upheld. He accepted that the car had not been of satisfactory quality, because of the need to replace the injector seals. He had not however been provided with any evidence of the cost of repairs, other than the purchase of a replacement traction control switch for £36.

The investigator was not persuaded that the subsequent engine failure showed that the car was not of satisfactory quality. He noted that, by that point, the car's mileage had increased to 100,000 miles and that it had not been serviced for some 65,000 miles in total.

The investigator recommended that, to resolve the complaint, CA pay Mr E £200 in recognition of the inconvenience to which he had been put and £36, the cost of repairs which Mr E was able to evidence.

Mr E did not accept the investigator's assessment. He said that he had ended the hire purchase agreement early, so an inspection of the car would not be possible. And he was now being asked to pay for the cost of repairs, as it had not been possible to return the car in the condition required.

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 have reached the same overall conclusion as the investigator did, for similar reasons.

Under the Consumer Rights Act 2015 Mr E's contract with CA was to be read as including a term that the car would be of satisfactory quality – meaning the quality a reasonable person would expect in the circumstances. Those circumstances include the car's age, price and mileage. This was a high mileage car sold at a fairly low price. In my view, some problems were to be expected.

I note as well that the manufacturer's records show only two services – at 21,000 miles in 2018 and at 35,000 miles in 2019. By the time Mr E acquired it, therefore, it's possible the car had not been serviced for around five years and 55,000 miles. I believe that's also relevant to the question of what a reasonable person would expect by way of quality.

It's possible of course that previous owners had the car serviced independently; that would not appear on its central service records. But the evidence that is available suggests it had not been serviced in line with the manufacturer's recommendations.

Mr E says that he was told the car had a full service history. There is, however, no evidence to support that statement, but it would have been easy to check. Mr E did not inspect the car before he agreed to take it on hire purchase, but he could have checked the documentation.

Mr E's complaint to CA appears to have been triggered by the engine failure in February 2025, rather than earlier (and relatively minor) issues. It seems likely that this was caused by a timing chain failure – although a proper diagnosis would require the engine to be dismantled. That did not happen before Mr E returned the car.

I do not believe however that I can safely conclude from the engine failure itself that there was a fault at delivery. By the time of the failure, the car had covered over 100,000 miles. It had not been serviced in the time that Mr E had been driving it or for several years before that. It's likely that the engine was nearing the end of its useful life.

CA's observation that, after six months, it is for the customer to show that faults were present at delivery is broadly correct. It is however really a rule of evidence which would apply in court proceedings. I'm not bound by the same rules of evidence as a court would be, but I must take any relevant law into account. I have done that but do not believe there is enough evidence here to support Mr E's case.

Finally, I note that Mr E says the warranty was mis-sold because he was told it would cover repairs up to a value of £20,000; the correct figure was £2,000. The investigator noted that the warranty was sold by the dealership, not CA. I agree that it does not appear that the warranty was either supplied by or financed by CA. I therefore make no further comment on it.

Putting things right

I note that CA accepted the investigator's recommendation, but I will make a formal award in any event, so that Mr E can enforce it, should he need to do so.

My final decision

For these reasons, my final decision is that, to resolve Mr E's complaint in full, CA Auto Finance UK Ltd should pay him:

- £36, together with interest at 8% a year simple from 20 June 2024 until payment; and
- A further £200 in recognition of the inconvenience to which he has been put.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 13 November 2025.

Mike Ingram

Ombudsman