

## **The complaint**

Miss A complains about the quality of a vehicle she acquired through a hire purchase agreement financed by CA Auto Finance UK Ltd trading as CA Auto Finance UK (CA).

## **What happened**

In May 2024 Miss A acquired a used car through a hire purchase agreement. The car was five years old, and it had travelled around 24,500 miles at the time of supply.

Miss A experienced a leak in the front passenger footwell in the first week after acquiring the car and reported this to the dealership. The dealership attempted a repair, and the car was returned to Miss A in July 2024.

In September 2024 the leak returned, and Miss A reported this to the dealership. She complained to CA about the quality of the car in mid-September 2024.

CA sent Miss A their final response to her complaint in November 2024. They said repairs had been completed with the issue being resolved, and so Miss A couldn't reject the vehicle. They also said that as Miss A had travelled around 1,500 miles in the car, they didn't think the issue was present or developing at the time the car was supplied to Miss A, so repairs were her responsibility as a result of normal wear and tear to the vehicle. They said the issue may be caused by the location of the vehicle, such as being parked under a bush.

In December 2024 Miss A took the vehicle to a third-party garage who said the roof lining would need removing completely to find the source of the leak.

In January 2025 an engineer was appointed to inspect the car by CA. That engineer concluded that water poured into the sunroof drain immediately poured out into the footwell, and the trims would need removing to repair or replace the pipe. They said the fault wasn't caused by the location the car was being parked in.

In January 2025 Miss A brought her complaint to this service for investigation. She said the leak was still present and she wanted to reject the car.

Our investigator gave their view that the leak made the car of unsatisfactory quality, and that as an attempt to repair it had been made, Miss A was now entitled to her final right to reject the car. They recommended that CA collect the car, refund Miss A's deposit and refund some of Miss A's monthly payments for impaired use.

CA didn't respond to our investigator's recommendations.

I issued a provisional decision on this complaint in September 2025 recommending that it was upheld, but with different redress to that recommended by our investigator. I made the following provisional findings:

*In considering what's fair and reasonable, I need to have regard to the relevant law and*

regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. CA as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the “quality of the goods is satisfactory”

To be considered “satisfactory” the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car’s history. The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Here, the car was acquired used with a cash price of around £58,000. It was five years old and had travelled around 24,500 miles at the time of supply.

When a person acquires a used car like Miss A’s it’s reasonable to say that the expectation of quality is higher than that of an older or higher mileage second hand car. Whilst there is a chance of encountering an issue, it’s also reasonable to expect the car to be free from major defects for a considerable period of time.

I’ve seen evidence that Miss A experienced a sizeable water leak into the front passenger footwell soon after acquiring the vehicle, and that this has continued after a repair attempt was made by the dealership. An engineer has confirmed that water pours into the footwell from a likely broken drainpipe. All things considered, I don’t think a reasonable person would expect a fault of this nature to have occurred so soon after acquiring a car of this price and mileage. I haven’t seen any evidence that the fault is a result of accident damage or other maintenance issues. So, I’m satisfied that the fault made the car of unsatisfactory quality at the time it was supplied to Miss A.

Having made that finding I need to decide what, if anything, CA should do to put things right.

The CRA allows CA one opportunity to return the car to a satisfactory condition, and I’m satisfied they had this opportunity when repairs were completed in mid-2024. As the leak is ongoing, I’m satisfied that Miss A is now entitled to her final right to reject the vehicle.

This means that CA should end the agreement ensuring that Miss A is not liable for monthly payments after the point of collection. CA should collect the car at no cost to Miss A, and her deposit of £10,000 should be refunded, plus interest.

Our investigator recommended that CA refund Miss A 10% of her monthly payments whilst the fault was ongoing to reflect her impaired use of the car. I’m satisfied that the volume and frequency of the leak did impair Miss A’s use of the car, and so CA should refund 10% of Miss A’s first payment to reflect the impaired use prior to the first repair being completed. They should also refund 10% of Miss A’s payments from 9 September 2024 when the leak was reported to have started again until the date of collection, plus interest.

Miss A took the car to a third-party garage for inspection in December 2024, and I’ve seen evidence that they charged £135 to diagnose the issue. It’s not clear who paid this cost, but if it was Miss A then it was paid to evidence that the car was of unsatisfactory quality, and so CA should refund this upon receipt of evidence that Miss A paid it, plus interest.

*Miss A has been put to distress and inconvenience in being supplied with a car that wasn't of satisfactory quality. She's had to spend time having the faults diagnosed and repaired. All things considered, I find that CA should pay Miss A £200 compensation to reflect the distress and inconvenience caused.*

Neither party responded to my provisional 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.

As neither party has raised any new arguments, or sent me new information to consider, for the same reasoning that I set out in my provisional decision, I've decided to uphold this complaint.

### **My final decision**

My final decision is that I uphold this complaint, and CA Auto Finance UK Ltd trading as CA Auto Finance UK must:

- End the agreement ensuring that Miss A isn't responsible for any further monthly payments once the car is collected
- Collect the car at no cost to Miss A
- Refund Miss A's deposit of £10,000 plus 8% simple yearly interest from the date of payment to the date of settlement
- Refund 10% of Miss A's first payment, and 10% of all payments Miss A made between 6 September 2024 and the date the agreement is ended, plus 8% simple yearly interest from the date of payment to the date of settlement
- Refund Miss A £135 for the diagnostic report upon evidence of payment by Miss A, plus 8% simple yearly interest from the date of payment to the date of settlement
- Pay Miss A £200 compensation to reflect the distress and inconvenience caused

If CA considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Miss A how much it's taken off. It should also give Miss A a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 15 October 2025.

Zoe Merriman  
**Ombudsman**