

## The complaint

Miss G is unhappy with the car supplied under the personal contract purchase agreement with CA AUTO FINANCE UK LTD (CA).

When I refer to what Miss G and CA have said or have done, it should also be taken to include things said or done on their behalf.

## What happened

In August 2024, Miss G entered into a personal contract purchase agreement with CA to acquire a used car. The car was first registered in September 2019. At the time of supply, it had travelled approximately 49,500 miles. The cash price of the car was £32,100. There was an advance payment of £2,500. There were 49 monthly payments. 48 monthly payments consisted of £519.50 and a final payment of £13,105.

Miss G reported the following issues, summarised below:

- September 2024
  - o The engine management light displayed on the dashboard. Miss G also reported a warning message to top up AdBlue.
- October 2024
  - o The car underwent a health check at a local garage. Diagnosis indicated a failed BANK NOX sensor, which monitors exhaust emissions and controls AdBlue and engine performance. Miss G was advised to book repairs at a specialist garage.
  - o The car was taken to a garage for further diagnostics. Invoice (£108.00) was paid by the supplying dealership.
  - o Miss G reported an “Active Brake Assist Functions Limited” message and poor acceleration, along with the engine management light.
- November 2024
  - o Investigation and repairs were completed at the dealership’s expense.
- December 2024
  - o Miss G reported a strong odour inside the car, possibly linked to previous issues.
- January 2025
  - o Miss G reported a battery warning light and expressed concern about recurring problems. The dealership suggested cold weather as the cause.
  - o Miss G reported brake issues and ABS sensor faults. A local garage diagnosed potential sensor problems, including the handbrake sensor, and noted the car was in limp mode.
- March 2025
  - o Car booked for further investigation due to brake failure and limp mode. Diagnostic invoice (£180.00) paid by Miss G.
  - o Miss G was informed the issues were due to an outstanding safety recall from

2022, which had not been completed.

- Manufacturer conducted diagnostics and confirmed damage caused by the missed recall. Additional issues were found with the drive shaft/gaiters. Diagnostic invoice (£210.00) paid by Miss G.

As Miss G was unhappy about the above, she raised a complaint with CA.

In May 2025 CA responded to Miss G's complaint. In this correspondence they said they require evidence from Miss G showing that the car is experiencing a fault and that the cause of the current fault was present from the point of sale.

Miss G remained unhappy with the above, so she referred her complaint to the Financial Ombudsman Service (Service).

Our investigator looked at Miss G's complaint and was of the opinion that the complaint should be upheld. The investigator said that the car was of unsatisfactory quality and, as such, Miss G should be able to reject the car. They also proposed what the redress should look like.

CA did not respond to the investigator's view, as such, the complaint has been passed to me to decide.

### **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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

I am aware I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. I have focused on those aspects that are central to me, reaching what I think is the right outcome. This reflects the informal nature of our service as a free alternative to the courts.

I have seen a copy of the independent report from July 2025 completed after CA asked Miss G for further evidence. In this report, the engineer said they consider that the safety recall should have been completed prior to the point of sale. Also, they considered that this has contributed to consequential damage with regards to the brake vacuum system currently observed with the car. The engineer also said the faults relating to the brake vacuum pump issue would have been prevented if the recall had been completed previously.

Taking all of the above into consideration, I think I have seen enough evidence to be able to say that, most likely, the safety recall made the car not fit for purpose. As such, the car was of unsatisfactory quality when it was supplied to Miss G. I'll explain below.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss G entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that 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 and the cash price. The CRA 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.

In Miss G's case the car was about five years old, with a total cash price of £32,100. It had covered around 49,500 miles. So, the car travelled a reasonable distance, and it is reasonable to expect there to be some wear to it because of this use. I would have different expectations of it compared to a brand-new car. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. With second-hand cars, it is more likely that parts will need to be replaced sooner or be worn faster than with a brand-new car. However, given the age, mileage and price paid, I think it is fair to say that a reasonable person would expect it to be free from defects for a considerable period of time.

The CRA sets out that Miss G has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and she would need to ask for the rejection within that time. Miss G would not be able to retrospectively exercise her short term right of rejection at a later date.

The CRA does say that Miss G would be entitled to still return the car after the first 30 days, if the car Miss G acquired was not of satisfactory quality, not fit for purpose, or not as described, but she would not have the right to reject the car until she has exercised her right to a repair first – this is called her final right to reject. This would be available to her if that repair had not been successful.

First, I considered if there were faults with the car.

As I mentioned earlier, from a copy of the independent report from July 2025, I can see that a safety recall should have been completed prior to the point of sale and it is also considered that this has contributed to consequential damage currently on the car in regard to the brake vacuum system.

Based on all of the above, I think the car was, most likely, faulty. However, just because the car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. As such, I have considered if the car was of unsatisfactory quality when it was supplied to Miss G.

The engineer concluded that the faults relating to the brake vacuum pump issue would have been prevented, if the recall had been completed previously. As such, considering all the available evidence I think, most likely, the car was not of satisfactory quality at the time of supply. This is because based on the age, price, and mileage of the car as stated when supplied, I do not think that the goods supplied were fit for purpose, and/or I think the issues around the recall were present at the time of supply.

Considering all of the above, under the CRA at this moment in time Miss G would be able to exercise her right to a repair. However, I do not think a repair would be a fair and reasonable option considering the specific circumstances of this case. I'll explain below.

I have looked at a remedy for breach of contract, namely for goods which are not fit for purpose. The requirement for goods to be fit for purpose is implied into the contract between Miss G and CA by the CRA. Under the CRA where such a term is breached, Miss G is provided with several remedies including repair, replacement, or monetary awards, such as damages. So, I considered what the right remedy is, taking all the circumstances of this case. I also take into consideration what both sides have said.

I have considered that a repair or a replacement are, most likely, not practical remedies at this stage. I say this because CA had an attempt at a repair on a few occasions, as there were several faults with the car. I think based on the age, price, and mileage of the car and the sheer amount of faults Miss G experienced early on would also render the car of unsatisfactory quality. As such, it seems most likely, prior repairs were made on the car. Furthermore, I think if further repairs would be undertaken for the current faults, they would cause more delays and burden to Miss G. As such, a repair seems unreasonable at this stage.

In addition, I think most likely, it would not be easy to replace the car with a similar one as it might be difficult to find a like for like car. Plus, I think a monetary award combined with allowing Miss G to keep the car, would also not be the most fair and reasonable. I say this because Miss G would need to look to repair the car herself and I have considered that a repair or a replacement, or a monetary award such as damages (whereby she keeps the car), would, most likely, cause Miss G further inconvenience and cause further delays.

Taking everything into consideration, I think the most fair and reasonable option at this point is for CA to end the finance agreement and to collect the car from wherever it is located without charging for collection. Miss G has been able to use the car, so I think it is reasonable she pays for this use. She was able to cover a bit more than 7,000 miles so it is only fair that she pays for this usage. Miss G was able to use the car until 26 March 2025, as such, CA can keep all repayments made up to that point but refund her all payments she made after this date. She stopped using the car at that time, which is not unreasonable considering all the issues with it.

In addition, I think CA should refund Miss G 10% of all payment she had made from 18 September 2024 until 26 March 2025. There is no perfect way to calculate the loss of use and the impaired use of the car. However, while the earlier repairs were taken place, Miss G was not provided with a courtesy car. Also driving with the faults she was experiencing, would have taken away from the utility and enjoyment of the car. As such I think 10% is a fair amount to cover the loss of use and the impaired use of the car.

CA should also refund Miss G's advance payment.

Furthermore, upon proof of payment, CA should refund Miss G all the money she paid for diagnostics and for the independent inspection. I think she would not have incurred these costs, had CA provided her with a car that was of satisfactory quality.

CA should also add interest to the refunded amounts from the date of each payment made by Miss G until the date of settlement. Interest should be calculated at 8% simple per year.

I have considered the impact the situation had on Miss G. I know this matter has caused her a lot of distress and inconvenience while trying to resolve it. She also had to make the car available for repairs and inspections. Plus, she spent a lot of time corresponding when trying to sort out the situation she found herself in. I think Miss G would not have experienced all of this, had CA supplied her with a car that was of satisfactory quality. As such, I think CA should pay Miss G a total of £200 for the distress and inconvenience caused.

### **My final decision**

For the reasons given above, I direct CA AUTO FINANCE UK LTD to:

1. End the finance agreement and collect the car from wherever it is located without charging for the collection;

2. Refund Miss G any payment she made towards the finance agreement from 26 March 2025 onwards;
3. Refund Miss G 10% of all payment she had made from 18 September 2024 until 26 March 2025.
4. Refund Miss G's advance payment;
5. Upon proof of payment, refund Miss G all the money she paid for diagnostics and for the independent inspection;
6. Add 8% simple interest per year to the refunded amounts, from the date of payment to the date of settlement;
7. Pay Miss G a total of £200 compensation for distress and inconvenience caused;
8. Remove any adverse information recorded on Miss G's credit file in relation to this credit agreement. The credit agreement should be marked as settled in full on her credit file, or something similar, and should not show as voluntary termination.

If CA AUTO FINANCE UK LTD considers that tax should be deducted from the interest element of my award, they should provide Miss G with a certificate showing how much they have taken off so she can reclaim that amount, if she is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 20 January 2026.

Mike Kozbial  
**Ombudsman**