

## **The complaint**

Mr D complains about the quality of a vehicle he acquired through a hire purchase agreement financed by CA Auto Finance UK Ltd (CA).

## **What happened**

In March 2023 Mr D acquired a new car through a hire purchase agreement financed by CA. Mr D complained to the dealership about a vibrating noise inside the car, and in December 2023 repairs were made to a wiring loom to stop the noise.

Mr D complained to the dealership that the noise had returned and was affecting his enjoyment of the car. He said he had to play very loud music to drown it out. In February 2024 the dealership confirmed a rattling noise from the sunroof, and repairs were completed but were unsuccessful, and so the sunroof was replaced.

Mr D said the noise returned and in June 2024 repairs were made to the new sunroof.

In October 2024 Mr D complained to CA about the quality of the car, saying that the noise had returned, and he asked to reject the car.

CA sent Mr D their final response to his complaint in December 2024. They said that as a replacement sunroof had been authorised to be fitted under warranty, rejection wasn't suitable. They offered a refund of one monthly payment and encouraged Mr D to proceed with the repair.

Mr D said he accepted another repair as he didn't think he had a choice, and in March 2025 a senior technical engineer made adjustments to the sunroof, stating that it didn't need to be replaced.

Mr D brought his complaint to this service for investigation. He initially said he wanted a refund of his monthly instalments whilst he'd been driving the car with the noise present. He has since explained that the noise has returned, and he wants to reject the car.

Our investigator gave their view that a noise of this nature wouldn't be expected in a new vehicle, and so they didn't think the car was of satisfactory quality when it was supplied to Mr D. They said that as an attempt to repair had already taken place, Mr D was now entitled to his final right to reject the car, a refund of his deposit, a refund of 10% of the monthly payments he'd made from December 2023 onwards to reflect the impaired use of the car, and £300 compensation for the distress and inconvenience caused.

CA didn't reply to our investigators view, and so the case has been passed to me for a 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.

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 new with a cash price of around £50,000. With this in mind, I think it's fair to say that a reasonable person would expect the vehicle to be free from even minor defects for a considerable period.

The noise that Mr D reports has been verified by the dealership, and I've seen evidence of a number of repair attempts to the sunroof of Mr D's car, including one replacement. Mr D has reported to the dealership that the noise has now returned, and I'm satisfied that there is an ongoing fault with the car.

Considering the age and price of the car, I don't think a reasonable person would expect a fault of this nature, that affects the everyday driving of the car. And so, I'm satisfied that the car was of unsatisfactory quality when it was supplied to Mr D.

### **Putting things right**

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

The CRA sets out the remedies available where goods are considered not to be of satisfactory quality, and one of the remedies is to allow an opportunity to repair the goods. I'm satisfied that there has been an opportunity to repair the goods, attempts have been made to rectify the fault, and it still exists. So, I'm satisfied that Mr D is now entitled to his final right to reject the car.

That means that CA should end the agreement ensuring that Mr D is not liable for monthly payments after the point of collection, CA should collect the car at no cost to Mr D, and Mr D's deposit of £12,000 should be refunded, plus interest.

Mr D has had continued use of the car since he acquired it and was kept mobile with courtesy vehicles whilst repairs were carried out, and so I'm satisfied that he should pay for that use of the car, and that his normal monthly repayments reflect a fair cost for this.

Mr D has explained that he'd had to play music very loudly to drown out the noise, and I'm satisfied that the fault has impaired Mr D's use of the vehicle, and so CA should refund some of Mr D's payments to reflect this.

There was an opportunity to return the vehicle to a satisfactory condition at the first report in December 2023, but Mr D has had to use it with the fault since this date. I find that CA should refund 10% of Mr D's payments plus interest from December 2023 until the agreement is ended to reflect the impaired use.

Mr D has been put to distress and inconvenience in being supplied with a vehicle that wasn't of satisfactory quality. He's had to spend time having the fault repaired on several occasions. Our investigator recommended that CA pay Mr D £300 compensation to reflect this. All things considered, I think £300 fairly reflects the distress and inconvenience caused to Mr D.

### **My final decision**

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

- End the agreement ensuring that Mr D is not liable for monthly rentals after the point of collection. (It should refund any overpayment if applicable)
- Take the vehicle back without charging for collection
- Refund Mr D's deposit of £12,000 plus 8% simple interest from the date of payment to the date of refund. (If any part of this deposit is made up of funds paid through a dealer contribution, CA is entitled to retain that proportion of the deposit.)
- Refund Mr D 10% of all monthly rentals from December 2023 until the agreement is ended to reflect the impaired use of the vehicle, plus 8% simple interest from the date of payment to the date of refund
- Pay Mr D £300 compensation to reflect the distress and inconvenience caused
- Remove any adverse information from Mr D's credit file in relation to the agreement.

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 Mr D how much it's taken off. It should also give Mr D a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 December 2025.

Zoe Merriman  
**Ombudsman**