

The complaint

Mr B complains that the van he acquired through CA AUTO FINANCE UK LTD trading as CA Auto Finance UK ("CA AUTO") wasn't of satisfactory quality. The van has now been rejected and collected, but he's unhappy with the redress and compensation paid by CA AUTO.

What happened

Mr B entered a hire purchase agreement in September 2024 to acquire a used van. The cash price of the van was £13,099, and after taking account of the advance payment of £2,000, the amount of credit provided totalled £11,099. The credit agreement was set up over a term of 60 months, with monthly rentals of £242.84 and if it ran to term, the total amount repayable would be £16,580.40. At the time of the acquisition, the van was around six months old and had been driven only 49 miles.

The details of this complaint are extensive, but are known to both parties, so I'm only going to summarise the key points here:

Mr B says:

- Almost immediately after acquisition, he complained about a number of issues with the van – some of the issues were cosmetic; but there was also an issue with a passenger seat sensor; and he needed the services of a third-party recovery company when the battery failed, and nothing worked;
- he says the van hasn't been safety-checked or prepared for the road, and this is evidenced by the many issues that should've been picked up with basic checks;
- he asked to reject the van within a few days and have the finance agreement cancelled and his money refunded.

CA AUTO upheld this complaint and said it would accept Mr B's rejection of the van. It explained its understanding of the Consumer Rights Act 2015 ("CRA") alongside the terms and conditions of the hire purchase agreement and the supplying dealership's own terms and conditions.

CA AUTO noted that the supplying dealership was not challenging Mr B's desire to return the van, and on that basis, it agreed to its rejection. It said it would ensure the van was collected at no cost to Mr B, and it would arrange for his deposit to be refunded.

CA AUTO explained that once the van had been collected and the deposit returned, it would unwind the agreement and issue confirmation to Mr B in writing.

Unhappy with how long things were taking, Mr B brought his complaint to our Service.

Our Investigator looked at this complaint and said he thought it should be upheld because he thought CA AUTO needed to do more to settle things fairly. He noted that both parties had agreed for the van to be returned, so he didn't need to make a finding about the satisfactory quality of the van at the point it was supplied.

Our Investigator explained the relevance of the various pieces of legislation referred to by both Mr B and CA AUTO in the circumstances of this complaint. He acknowledged the frustration, delays, anxiety and distress that Mr B had experienced in trying to get the matter resolved and the poor service he'd received, and he recommended that CA AUTO pay Mr B £150 in recognition of this.

Our Investigator considered Mr B's claim for his time – the time he'd lost from work in dealing with this matter – which he costed at £65 per hour. He explained that this Service doesn't usually award compensation based on units of time or a complainant's hourly rate, and he said that it wouldn't be fair to hold CA AUTO liable for losses which couldn't have been reasonably foreseen.

CA AUTO disagreed and said it had not taken an unreasonable amount of time to deal with the rejection of the van, and it did not accept that it should pay Mr B £150 compensation.

Our Investigator looked again at all the evidence but said that he remained of the view that a modest compensation payment was fair and reasonable in the circumstances. He explained that he'd taken account of everything that had happened, not just the time taken to issue the refund and process the rejection of the van. And although Mr B first exercised his right to reject the van in October, it had taken until mid-December to collect it, and until mid-January to return his deposit and unwind the finance agreement. Our Investigator said that the compensation took account of the frustration and uncertainty that CA AUTO had needlessly caused Mr B.

Mr B said he thought he should receive more compensation because of what he'd spent on fuel and insurance on his old van – he'd had to use the old van because the new van had been returned, and he'd not yet found another new van on the market that was suitable. And he said he thought £150 compensation was *"barely a slap on the wrist...having them punished is the only way in my opinion they will learn"*.

Because neither party agrees with the level of compensation, this complaint comes 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.

Having considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigators and for broadly the same reasons. I'll explain why.

The credit agreement entered into by Mr B is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it. CA AUTO is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

I note here that CA AUTO has referred to the supplying dealership as though it decides what happens in the resolution of this complaint. However, I remind CA AUTO that it is the supplier of the goods under this type of agreement, and so it is responsible for a complaint about their quality. It follows that I have taken into account the comments of the dealership as if they were made on behalf of CA AUTO in its role as the supplier.

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 vehicle purchase, will include things like the age and mileage of the vehicle at the time of sale, and the vehicle’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.

I’m pleased to see that once it had completed its investigation, CA AUTO accepted the rejection of the van. And I understand the van has been collected, the credit agreement has been unwound, and Mr B has had his deposit refunded. So there’s no need for me to consider further the faults with the car or whether it was of satisfactory quality when supplied – it seems all parties accept it was not.

The parties do not agree entirely on the redress that should be paid, so this is the focus of my decision.

I’ve considered very carefully the comments from both parties, and I’ve looked closely at the information and very detailed testimony from Mr B detailing the issues he experienced; his frustration and anxiety with the time and effort it took to get things moving; and the other consequential costs he says he’s incurred. And, having done so, I’ve reached the same conclusion as our Investigator – I think his recommendations for settling this complaint are fair and reasonable in all the circumstances of it, and I’ll explain why.

Like our Investigator, I’m satisfied that CA AUTO’s way of putting things right is *broadly* in line with what this Service would expect. We’d typically ask the business to:

- end the credit agreement and remove any adverse information from the customer’s credit file in relation to the credit agreement;
- arrange collection of the van;
- refund the customer’s deposit;
- refund some monthly rentals to reflect impaired usage of the van;
- refund costs directly associated with the unsatisfactory quality of the van – costs that the customer incurred because the van was faulty;
- pay statutory interest of 8% on monies refunded and;
- pay some compensation if the customer experienced distress, worry, anxiety and inconvenience because faulty good were supplied.

And I can see CA AUTO has incorporated *most* of these things in resolving Mr B’s complaint. So, the only outstanding matter, it seems to me, is the amount of compensation that should be paid to Mr B in recognition of the fact that he experienced distress, worry, anxiety and inconvenience because of the problems with the van.

I need to tell both parties that calculating this is not an exact science. I can’t ask CA AUTO to pay costs towards the fuel and tax on Mr B’s old van – the one he used before he signed the credit agreement for the new van. I understand how frustrating it must be that he’s not yet found a new replacement van on the open market – but that isn’t something I can hold CA AUTO responsible for. The market is changing all the time and the vehicles on the

market at any given point are a product of other people buying and selling vehicles – it's nothing to do with CA AUTO and it isn't controlled by it.

I also can't ask CA AUTO to pay Mr B his hourly rate – he's asked to be re-imbursed at his hourly rate in recognition of the time he's had to spend dealing with this complaint and the problems with the van. This Service does not typically award compensation based on a complainant's hourly rate of pay. This is because if we were to do so, it could lead to situations where someone on a high salary received more compensation than someone who is retired, even though their complaints may be similar and the overall impact in terms of anxiety and worry the same.

But I am going to require CA AUTO to pay some compensation. I've noted the frustration, worry and anxiety that this whole episode caused Mr B, and I'm going to ask CA AUTO to pay the £150 recommended by our Investigator. But I need to tell Mr B that this is in recognition of the frustration and distress I believe he experienced, it is not to *punish* CA AUTO as this is not the role of this Service.

This Service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the Regulator, in this case the Financial Conduct Authority.

The role of this Service is to look at problems and concerns experienced by an individual consumer and determine whether, or not, the financial business – in this case CA AUTO – has done anything wrong. And, if it has, I'll seek to put the consumer back in the position they would've been in if those mistakes hadn't happened.

In summary, I'm satisfied that the compensation suggested by our Investigator is both fair and reasonable in the circumstances of this complaint, and I'm going to direct CA AUTO to compensate Mr M accordingly.

Putting things right

I direct CA AUTO FINANCE UK LTD trading as CA Auto Finance UK to put things right by doing the following:

Paying Mr B £150 – for the distress, worry, anxiety and inconvenience that's been caused due to the supply of faulty goods.

My final decision

My final decision is that I uphold this complaint and require CA AUTO FINANCE UK LTD trading as CA Auto Finance UK to fairly settle this complaint as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 December 2025.

Andrew Macnamara
Ombudsman