

The complaint

Mrs J complains that the car she acquired through CA AUTO FINANCE UK LTD (“CA AUTO”) wasn’t of satisfactory quality. She wants to reject the car, cancel the credit agreement, and be reimbursed her costs.

What happened

Mrs J entered a PCP credit agreement in January 2024 to acquire a used car. The cash price of the car was £15,600, and after taking account of the advanced payment, the credit provided totalled £14,600. This was to be repaid over the 49-month term of the agreement. Mrs J’s monthly payments were £284.29, so if the agreement ran to its full term, the total repayable would be £20,440.92. At the time of acquisition, the car was around five years old and had been driven more than 55,000 miles.

Mrs J told us:

- Almost exactly 12 months after acquiring it, the car broke down on a busy roundabout and was taken to a garage for diagnostics;
- the mechanics said severe long-term engine issues had led to multiple faults;
- the estimated cost of repairs was more than £7,000, but this figure could grow if further issues were identified during the repair process;
- she’d only had the car a year and during this time it had been maintained appropriately and in accordance with the manufacturer’s recommendations;
- she’s continued to make her monthly payments even though the car cannot be driven, and she has had to pay for a hire car to remain mobile;
- the total costs she’s incurred are about half the cost price of the car;
- she wants CA AUTO to cover the costs of repairs and allow her to reject the car and terminate the credit agreement.

CA AUTO rejected this complaint. It said that because Mrs J had acquired the car more than six months prior to the issue with the engine, she needed to provide evidence that the fault with the car was present or developing when it was supplied. It says in the absence of any evidence that the fault was present or developing at the point of supply, it cannot uphold this complaint, and it won’t accept rejection of the car.

It noted the details contained in the repair invoice provided by Mrs J, but said that the relevant legislation required her to evidence that any fault was present or developing when supplied, and on the basis she’d had the car for 12 months when issues first arose, it had seen nothing to suggest the car was not in a satisfactory condition when supplied. It did, however, offer Mrs J a contribution of £1,500 towards her repair costs, as a gesture of goodwill.

Unhappy with its response, Mrs J brought her complaint to this Service. And she advised that her car rental costs had now increased and exceeded £4,300.

Our investigator looked at this complaint and said he didn’t think it should be upheld. He explained the relevance of the Consumer Rights Act 2015 (“CRA”) in the circumstances of

this complaint and said that given the time Mrs J had been in possession of the car, and the mileage she'd driven, he'd seen no evidence that the faults and issues with the engine were present or developing at the point of supply.

He didn't dispute that Mrs J had experienced issues with the car but said that without evidence – an independent report and diagnostics that set out evidence of the fault and its root cause, along with an opinion that it was present or developing at the point of supply – he could not uphold this complaint.

Mrs J disagrees so the complaint comes to me to decide. She says that because the engine has been dismantled and repaired, it's no longer feasible to arrange for an independent inspection, but the garage that undertook the repairs said the engine should've lasted up to 200,000 miles. And she said that CA AUTO's offer of £1,500 towards repairs implies it accepts a degree of liability in this matter.

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 agree with our investigator – I don't think this complaint should be upheld – and I'll explain why.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the credit agreement entered into by Mrs J is a regulated consumer credit agreement, 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.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Mrs J was of satisfactory quality or not.

CA AUTO supplied Mrs J with a used car – it was five years old and had already been driven more than 56,000 miles – so the price of the car was lower than it would've been if it had been supplied new. Because of this I think it's fair to say that a reasonable person would expect that parts of the car might've already suffered wear and tear. And there'd be a greater risk in the future that this car might need repairs and maintenance sooner than a car which wasn't as road-worn when supplied.

I don't think there's any dispute that Mrs J has experienced problems with the car - that has been well evidenced by both her testimony and the other documents that I've seen including diagnostics and the photographs that she's submitted for my consideration. But just because Mrs J has had problems with the car, and things have gone wrong, it doesn't necessary follow that the car supplied to Mrs J wasn't of satisfactory quality.

CA AUTO would only be responsible for putting things right if I'm satisfied that the issues Mrs J complains about now were present or developing when the car was supplied – that is to say, the car wasn't of satisfactory quality when Mrs J acquired it in January 2024.

Mrs J's garage provided some detail around what it considered had caused the problems leading ultimately to engine failure. It said, *"The engine has suffered internal mechanical damage primarily due to a lack of proper lubrication and contamination in the exhaust gas recirculation (EGR) system, resulting in significant wear on the valves, seals, and gaskets"*

And it went on to explain that the failure appears to have been caused by *"oil starvation, which led to increased friction and subsequent engine damage. The EGR valves, intake manifold, and associated components have been affected by restricted airflow and increased engine temperatures due to improper combustion and inadequate oil circulation. This issue has led to failure of critical components."* But critically, it makes no reference about whether these specific issues were present or developing on Mrs J's car at the time it was supplied in January 2024.

The garage did say that these engines can last for up to 200,000 miles in optimal conditions, but I find this to be a very generalised statement; some will last more, and some will last less. And the lifespan will be dependent on a number of factors including, but not limited to, driving style, maintenance and servicing history; quality of consumables such as oil and fuel; environmental conditions etc.

What I have not seen is an *independent* engineer's report, that shows me that the failure of the engine on this car is a result of faults that were present or developing when the car was supplied to Mrs J; or that this car has not been durable. And although I understand the difficult position Mrs J finds herself in; it's no longer possible to instruct an independent inspection because repairs have been completed, I simply do not have the evidence I would need to persuade me that the car supplied by CA AUTO was not of satisfactory quality. Because of this, I can't hold CA AUTO responsible for the problems Mrs J now complains of.

Finally, I've noted that Mrs J says that CA AUTO's offer of £1,500 towards repairs implies it accepts a degree of liability in this matter. But I don't agree. The offer was simply a gesture of goodwill for her to accept or reject, and nothing more.

I know Mrs J will be disappointed with the outcome of her complaint, but I hope she understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 30 December 2025.

Andrew Macnamara
Ombudsman