

## **The complaint**

Mr G complains about a motor finance agreement he has with CA Auto Finance UK LTD (CA Auto) and he believes the charges applied when he voluntarily terminated the agreement were unfair. To resolve his complaint Mr G would like the charges reduced.

## **What happened**

Mr G took out a regulated hire purchase agreement to fund the cost of a used car. The car was around three years old, had travelled approaching 45,000 miles and cost £13,592. After paying an initial deposit, £12,564.18 of credit was provided through the hire purchase agreement, which was to be repaid over 48 months.

Mr G exercised his legal and contractual right to voluntarily terminate the agreement before the agreement came to the end of its 48 month term. Mr G handed back the car and at that time, the car was inspected. The inspection highlighted a number of damaged areas to the car and the initial inspection listed the cost of repairing the damage at almost £1,200.

Mr G proceeded with handing the car back but complained to CA Auto about the cost of the repairs. CA Auto responded to Mr G's complaint and said that it would remove one of the items charged, but a significant amount of the charges still remained. Unhappy with CA Auto's response, Mr G referred his complaint to our service.

The complaint was considered by one of our investigators and after further engagement with Mr G and CA Auto, the investigator set out his view of the complaint. In summary, the investigator found that CA Auto could charge for damage where Mr G had exercised his right to voluntarily terminate the hire purchase agreement and having considered the charges now outstanding, these did not seem unreasonable. He did not therefore consider there to be any grounds to recommend CA Auto reduce the overall charges total.

Mr G responded to the investigator's view and thanked him for his investigation. Mr G said that he accepts most parts of the findings but he remained unhappy that some of the repairs to the bodywork were charged at a much higher rate than others. This was specifically referring to three areas that were charged at £113 each, compared to other areas being charged at £53.

The investigator explained that having considered the differences in the charges, there were differences in the severity of the damage and the level of repair required. So the difference in prices wasn't unreasonable. As the case could not be resolved informally, it has been referred to me so that a final decision can be made as the last stage in our process.

## **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, my decision here will come as further disappointment to Mr G, as I have come to the same overall conclusions as the investigator, for what are broadly the same

reasons.

Mr G entered into a regulated hire purchase agreement with CA Auto and among other things, the terms and conditions of the agreement between Mr G and CA Auto required Mr G to take 'Reasonable Care' of the goods. This required Mr G to maintain the car in good condition and repair, and if he failed to do so CA Auto may charge him.

Mr G acquired a used car and it was around three years old, with approaching 45,000 miles already been travelled. I accept when Mr G acquired the car it was unlikely to have been in the same 'as new' condition had he bought the car from first manufacturer. There is no record of the exact condition of the car when Mr G acquired the car but looking at the damage report from when Mr G returned the car, I think it is unlikely Mr G would have acquired the car in this condition or with the damage shown on the report. On balance therefore, I consider it more likely than not the damage highlighted when returning the car was caused during the roughly 25,000 miles Mr G had and used the car.

When deciding this complaint, I need to consider whether or not in the broader circumstances of the complaint CA Auto has acted fairly and reasonably in applying the charges for the damage. When considering what is fair and reasonable I have considered, amongst other things, the fair wear and tear guide issued by the BVRLA. The investigator has referred to this in some detail so I do not consider it necessary to repeat that again here. Similarly, I do not consider it necessary to list each of the twelve chargeable damage or soiled areas listed on the final invoice. I can however reassure both CA Auto and Mr G that I have very carefully considered the individual damage or soiled areas on the report and whether it would be reasonable in the circumstances to charge for these items.

It is clear in my view that each of the chargeable areas, that make up the £717.67 that is now due, are damage or soiling and go beyond Mr G's requirement to take reasonable care of the goods. There are multiple areas of damage, some areas with multiple scratches or damage to the same area or panel, missing or broken parts, a misaligned panel and soiled seat. I accept that a car that was around six years old and had travelled over 70,000 miles would show some signs of light damage. I note the inspection report list some areas of damage but these are not chargeable, indicating they fall within reasonable wear and tear for the age and mileage of the car. But the areas of damage that have been charged for, are beyond fair wear and tear in my view.

The terms of the hire purchase agreement, and provisions of the Consumer Credit Act, permit CA Auto to apply a charge for damage where Mr G has not taken reasonable care of the goods and I do not consider CA Auto has acted unreasonably in applying a charge. I have considered each of the charges applied and in particular what Mr G says about the different costs being applied to different areas of damage. But having compared these different damage areas and charges, I'm not persuaded these are unreasonable.

The areas that have incurred a higher charge do in my view appear more significant in damage and would therefore likely require more work to remedy. Consequently therefore, incurring a higher charge and it is not unreasonable for that to be reflected on the amount Mr G was charged.

I fully appreciate Mr G will remain unhappy with my decision here and that he is still required to pay CA Auto £717.67 for the remaining damage areas that he has been charged for. But there are insufficient grounds for me to direct CA Auto to reduce or write off what it's seeking from Mr G and the charges individually and collectively, are not unfair or unreasonable in the circumstances of this complaint.

**My final decision**

For the reasons set out above, my final decision is that I do not uphold Mr G's complaint against CA Auto Finance UK LTD.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 March 2026.

Mark Hollands  
**Ombudsman**