

The complaint

Mr M complains about the way he was treated by CA AUTO FINANCE UK LTD (CAF) in relation to the termination of a motor finance agreement he had with them.

What happened

In September 2021, Mr M acquired a used car through a hire purchase agreement with CAF. The cash price of the car was £7,885. An advanced payment of £60.52 is listed, so the total amount finance on the agreement was £7,824.48 payable over 59 monthly repayments of £177.31 followed by a final repayment of £576.31.

In September 2024, Mr M was involved in a serious road traffic accident, which he said led to ongoing mental health and financial difficulties. Mr M said that despite being aware of his circumstances, CAF continued to issue arrears notices, default notices, and threats of repossession. Mr M said that in late 2024, CAF added almost £2,000 to the outstanding balance, which he said was the “final straw.” Mr M surrendered the vehicle voluntarily, leaving him without transport. He said the car remains at an auction site.

Mr M feels the situation has caused significant distress, worsened his mental health, and damaged his credit rating. He believes CAF failed to show flexibility or consider his vulnerability. CAF offered £150 as a goodwill gesture, which Mr M considers inadequate. He wants CAF to either reimburse the full cost of the car, refund all payments made since 2021, or return the car and write off the remaining debt.

In May 2025, CAF issued their final response to Mr M’s complaint which it didn’t uphold. In summary, it confirmed that following a road accident Mr M voluntarily terminated the agreement and the vehicle was collected for auction before Mr M could retrieve his personal belongings from it. As a gesture of goodwill CAF offered Mr M £100 and a further £50 for the customer service he received.

Unhappy with their decision, Mr M brought his complaint to our service where it was passed to one of our Investigators to look into.

In October 2025, our Investigator issued their view and recommended that Mr M’s complaint should be upheld in part. In summary the Investigator concluded CAF acted fairly by sending arrears correspondence and in how the agreement was ended. However, in consideration for the personal belongings that Mr M didn’t collect, the Investigator considered £150 in compensation was fair.

Mr M didn’t accept this recommendation. He responded to say he didn’t abandon the vehicle and sent copies of correspondence he’d sent to CAF advising of his desire to keep it. Mr M advised CAF should write off the entire outstanding balance and allow him to have the car. However, as the Investigator’s view remained unchanged the complaint was referred to an ombudsman for a final 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.

Firstly, I acknowledge what Mr M has told us about his health, and I'm sorry to hear about this. I recognise this would likely have made things more difficult for him. If he hasn't already done so, Mr M may decide to seek further support with his situation from recognised organisations. Further information about this can be found on our website at the following address: <https://www.financial-ombudsman.org.uk/accessibility/additional-support>

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr M's main concerns are around the termination of the agreement and CAF's lack of support towards him, considering his situation. So, I've focused my decision on whether CAF acted fairly in how they ended the agreement and in how they supported him during his financial difficulties.

Following the traffic incident in September 2024, the vehicle was being held by the police and subsequently was transferred to a recovery centre. This is confirmed by CAF in their system notes and is consistent with what Mr M has told us.

The car remained in the recovery yard until it was collected for auction. This was after Mr M failed to collect it and make arrangements to pay the agreement. However, Mr M disputes this was the case.

On 11 June 2025, CAF sent Mr M a letter advising the vehicle was left at a compound and whether he intended on taking it back. The letter advised he had seven days to respond, or they'd consider the vehicle was abandoned.

Mr M sent copies of correspondence he sent to CAF advising he wanted to keep the car and to reach an arrangement for repayment of the outstanding debt. The dates on Mr M's emails to CAF ranged from 20 June 2025 to 25 June 2025. However the deadline they gave in their initial letter was seven days, which would have been 18 June 2025. Mr M's first email to CAF was on 20 June 2025, so two days past the deadline given.

Given Mr M hadn't contact CAF prior to the deadline provided, and in consideration the vehicle had been impounded since September 2024, I'm satisfied CAF acted fairly in taking the necessary action to treat the vehicle as abandoned. This led to the vehicle auction sale the following month.

According to a statement of account Mr M began experiencing more frequent payment issues from February 2024. CAF has provided copies of correspondence they sent to Mr M throughout 2024 and 2025 advising him of the arrears on his account.

The account notes show that Mr M was in contact with CAF with regards to the late payments and I'm satisfied from the information provided, that CAF supported Mr M

throughout this time, for example by waiving fees and informing him of the options for ending the agreement.

From the information provided I'm satisfied Mr M was treated fairly throughout this time. CAF have a responsibility under the Consumer Credit Act 1974 to give borrowers notice of sums in arrears, so I don't consider that CAF were acting unfairly by sending arrears correspondence to Mr M. I don't consider the correspondence was excessive or unwarranted. I think it's reasonable that they let him know about the state of his agreement. I've also no evidence to consider that CAF communicated in a way that was harmful to Mr M. So, all things considered I'm satisfied CAF acted fairly.

In their final response to the complaint, CAF offered Mr M £150 for the issue with him not being able to collect his personal belongings from the vehicle, and for the customer service they provided. Although Mr M considered this amount as inadequate, in the circumstances I think this is a fair amount. I've no evidence that Mr M has been disadvantaged by a greater financial amount as a result of how CAF acted in the situation.

All things considered and from the information provided, I'm satisfied CAF acted fairly in the circumstances of the termination of the agreement and in how they treated Mr M whilst he was in the agreement with them.

My final decision

To settle the complaint CA AUTO FINANCE UK LTD has already made an offer to pay Mr M £150 in compensation, I think this is fair in all the circumstances. So, my final decision is that I instruct CA AUTO FINANCE UK LTD to:

- Pay Mr M £150 in compensation for the issues related to him not being given sufficient notice to collect any personal belongings from the vehicle prior to it being sold on.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 January 2026.

Benjamin John
Ombudsman