

The complaint

Mrs S is unhappy that a car supplied to her under a personal contract purchase agreement with CA Auto Finance UK Ltd ('CAF') was of an unsatisfactory quality. She was also unhappy that the car and warranty had been mis-sold by the dealership, and that CAF didn't deal with her complaint properly.

What happened

In February 2024, Mrs S was supplied with a used car through a personal contract purchase agreement with CAF. She paid an advance payment of £1,500 and the agreement was for £16,943 over 49 months; with 48 monthly payments of £305.70 and a final payment of £10,829. At the time of supply, the car was almost five years old and had done 68,770 miles (according to the agreement).

Mrs S started to have issues with the car in 2025 – it broke down on 26 January 2025 at 76,560 miles. However, the breakdown report contained no details of what caused the breakdown, or what exactly was done to repair the car.

In March 2025, Mrs S had the glow plugs replaced and, following a further breakdown, the battery replaced. The car broke down again on 8 May 2025, at 79,249 miles, with turbo issues. An invoice dated 5 June 2025 confirmed there was *“excessive play in turbo caused by internal failure of the turbo bearing. Sudden failure of the bearing had caused the turbo to fail.”* Mrs S had the turbo replaced at a cost of £2,209.97 and the car passed an MOT without any advisories.

A further repair took place on 10 June 2025, at the cost of £241.42 – it was found that the EGR filter was blocked with old oil caused by the turbo failure and needed to be replaced. On 19 June 2025, the car was inspected again. This inspection found the diesel particulate filter ('DPF') was *“full of residual oil from turbo fault ... advise customer to continue driving the vehicle which should help burn off the oil in the DPF [if this doesn't work] we look at replacing the DPF and sensors.”*

The car broke down again on 26 June 2025 at 80,200 miles. However, the breakdown report had no details of what caused the breakdown, or what (if anything) was done to the car. Following this the car stopped working. An inspection took place on 4 July 2025 at 80,547 miles which found *“engine has expired.”* It recommended that further investigation take place to find the cause of the fault and that a new engine was required.

Mrs S had complained to CAF on 23 May 2025. They responded on 21 July 2025 to say the car was independently inspected before supply, and no issues were found. CAF thought the turbo had failed due to general wear and tear, and they didn't uphold the complaint. Unhappy with this response, Mrs S brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator thought that the issues with the glow plugs, battery, and turbo were down to normal wear and tear. They said that, although the engine had failed, there was nothing to show why this happened, or if it related to a fault that was present or developing when the

car was supplied. So, the investigator thought the car was of a satisfactory quality when it was supplied to Mrs S.

The investigator also said that, as Mrs S had raised the mis-sale with us under a separate complaint, this wasn't considered as part of the investigation. However, the investigator did think that CAF could've dealt with things better, and that there were unnecessary delays. So, they recommended that CAF pay Mrs S £100 compensation for this.

Mrs S didn't agree with the investigator's opinion. She didn't think the issues were random, and that they indicated inherent defects with the car. She said the engine on the car had "*widely documented, known inherent flaws*" and that the DPF regeneration was prone to cause fuel to dilute the engine oil, causing oil starvation, premature wear, resulting in turbo and engine failure. So, she thought the engine was failing before the car was supplied to her and she believed "*the battery, glow plugs, turbo, and engine failing within 17-months of low mileage driving must be viewed cumulatively [so] it is more probable that the vehicle was sold with significant, latent defects.*"

Mrs S also disagreed that the burden of proof should fall on her, when CAF were relying on a pre-sale inspection, which took place 8-months before the car was supplied to her. So, she didn't think CAF had proved the car was of a satisfactory quality when it was supplied to her. Finally, she said that "*the car remains off the road, stored at my property, and is available for a full, independent engineering inspection at any time.*"

Mrs S also provided details of a previous decision by the Financial Ombudsman Service, relating to a different make and model of car with the same engine, that had suffered a timing chain failure. She also said that the mis-sale of the warranty by the dealership hadn't been addressed and should form part of this investigation.

Because Mrs S didn't agree, this matter has been passed 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 done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mrs S was supplied with a car under a personal contract purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, CAF are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless CAF can show otherwise. So, if I thought the car was faulty when Mrs S took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask CAF to put this right.

Before I address the issues with the car, I think it's important for me to explain what I can, and can't, consider. I've seen Mrs S's complaint about the warranty is being dealt with under a separate reference number. And the investigator has issued their opinion about this on 24 September 2025. As such, as this is being dealt with separately, and against the warranty company and not CAF, this will not be considered as part of my decision.

Additionally, while I recognise Mrs S has made reference to other decisions the Financial Ombudsman Service has made, a crucial part of our service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision won't be impacted in any way by any decision made on a different complaint, no matter how similar Mrs S feels the situation is.

Turning to what I can consider, Mrs S has said that the burden of proof shouldn't be on her, as CAF haven't proved the car was of a satisfactory quality when it was supplied. However, as I've explained, the CRA assumes that the goods were of a satisfactory quality, unless any faults occur within the first six months. As, in this case, they didn't, the implications of the CRA mean that the burden of proof shifts from CAF having to prove the car was of a satisfactory quality when it was supplied, to Mrs S having to prove that it wasn't.

In this instance, while Mrs S has provided evidence of the engine failure, this report doesn't explain what caused the failure. What's more, it doesn't say that the failure was caused by either an issue that was present or developing when the car was supplied to Mrs S, nor that it was caused by inherent faults with the engine or any lack of durability.

The glow plugs and battery are items with a limited lifespan, and factors such as driving style, whether the car is used on long or short journeys, what load is regularly put on the battery (such as the use of heating/air conditioning etc.), and how often the car is started can all affect the lifespan of these parts. As such, I don't consider the need for replacement at around 80,000 miles to be so unusual that it indicates any underlying engine faults.

This is also the case for the turbo, and the 5 June 2025 invoice has confirmed the turbo failed due to the sudden failure of a bearing. It doesn't say that this failure was as a result of faults that were present or developing when the car was supplied, nor that the turbo wasn't sufficiently durable.

As such, I'm satisfied that the glow plugs, battery, and turbo need replacement as a result of general in-service wear and tear, and this isn't something CAF are responsible for.

With regards to the failure of the engine itself, both the 19 June 2025 inspection and Mrs S have referred to the DPF. I've seen that, when taking out the agreement, Mrs S advised CAF that she wasn't intending to do more than 8,000 miles a year. And, in her comments, she refers to this as being a 'low mileage car'.

Due to the way DPFs work, modern diesel engines aren't designed to be used for low mileage or for regular short journeys. I've seen that, for the car supplied to Mrs S, the manufacturer's recommendation is that the car is driven on a motorway or A-road every week, at a constant speed between 40 and 70 mph, for 20-30 minutes, with a minimum mileage of 26 miles, to ensure the DPF passively regenerates. The avoidance of frequent short trips is also recommended.

Failure to passively regenerate the DPF in this way can result in the car attempting to actively regenerate the DPF. This results in extra fuel being injected into the system and, as Miss S has said, this dilutes the oil and can cause premature engine wear and accelerate engine failure. I haven't seen anything to show me that the engine failed due to a DPF fault that was present or developing when the car was supplied to Mrs S. And the mileage she's done in the car since it was supplied to her could indicate that passive regeneration hasn't been completed in line with the manufacturer's recommendations.

Given all the above, and while I appreciate that Mrs S won't agree with me, I'm not satisfied the car wasn't of a satisfactory quality when it was supplied, so I won't be asking CAF to do anything more about the engine.

However, the investigator has recommended that CAF pay Mrs S £100 for their customer service failings. And CAF haven't objected to this. As such, I see no compelling reasons why I shouldn't adopt this as part of my final decision.

Therefore, CAF should pay Mrs S £100 to compensate her for the failing in their customer service. They must pay this compensation within 28 days of the date on which we tell them Mrs S accepts my final decision. If they pay later than this date, they must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment. If HM Revenue & Customs requires CAF to take off tax from this interest, they must give Mrs S a certificate showing how much tax they've taken off if she asks for one.

My final decision

For the reasons explained, I uphold Mrs S's complaint about CA Auto Finance UK Ltd. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 31 December 2025.

Andrew Burford
Ombudsman