

The complaint

Mr F is unhappy that a car supplied to him under a hire purchase agreement with CA Auto Finance UK Ltd (CAAF) was of unsatisfactory quality.

When I refer to what Mr F has said and what CAAF have said, it should also be taken to include things said on their behalf.

What happened

On 28 February 2024 Mr F was supplied with a car via a hire purchase agreement with CAAF. The price of the car was £9,995 and the extended warranty was £495. Mr F paid a deposit of £8,000 followed by 22 payments of £108.26 and a final payment of £108.28. The car was around seven years old and had travelled approximately 54,000 miles at the time of supply.

Shortly after purchase Mr F started experiencing problems with the car as detailed in my reasoning below, with the first issue being in April 2024 after roughly 800 miles. He also noted that there was a discrepancy in mileage as recorded on the MOTs. As Mr F was not happy with the car he complained to CAAF.

On 29 September 2025 CAAF issued their response to Mr F's complaint. They felt that due to the time that has passed since the car was supplied it was up to Mr F to produce evidence that the car was faulty at the time of supply, which they did not believe that he had. With regards the mileage they highlighted that Mr F had signed the agreement and had the chance to undertake his own due diligence and withdraw from the agreement prior to its execution. For these reasons they did not uphold his complaint.

Because Mr F was not happy with the response he complained to us.

On 26 November 2025 our investigator issued their view. They upheld Mr F's complaint. They viewed the car as a single item and felt that Mr F had provided enough evidence to show that the car was faulty and not of satisfactory quality. This was primarily due to it requiring three significant repairs within six months and 1,000 miles of supply. In upholding the complaint, they directed CAAF to:

- Refund the £3,888 that Mr F had paid for the repairs,
- Refund 20% of Mr F's payments for the duration of the issues,
- Pay 8% simple interest on the above sums from the date of payment to the date of settlement
- Pay £200 compensation for the trouble and upset that's been caused,
- Remove any adverse information from his credit file

Mr F confirmed that he accepted the investigator's view.

CAAF did not agree as they felt that the turbo failure occurred outside six months so it was up to Mr F to prove the car was unsatisfactory quality at the time of supply. Also at the time of the latest gearbox failure the car was eight and a half years old and covered 57,800 miles.

This would be at the point where things would start to deteriorate and would represent fair wear and tear.

As CAAF did not agree it has been passed to me to deal with.

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.

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.

Mr F was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) is of particular relevance 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". The CRA says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So it seems likely that in a case involving a vehicle, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says 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. Where goods are second hand, as in this case, due regard must be had to the price, age and any description applied to the vehicle.

The CRA also states that where goods are sold by description there is a clause included in the contract that the goods must match the description. So, the description applied to the car is not just important in terms of deciding whether it is of satisfactory quality but also if it has been misdescribed.

So, if I thought the vehicle was faulty or not fit for purpose when Mr F took possession of it and this made the vehicle not of a satisfactory quality, it'd be fair and reasonable to ask CAAF to put this right. Equally if I thought that the vehicle had been misdescribed then it would also be fair and reasonable to ask CAAF to put this right.

The CRA sets out some key dates post contract with regards the burden of proof in relation to the goods being of unsatisfactory quality. The CRA gives the consumer the automatic right to reject if the goods are not of satisfactory quality and that fault is discovered within 30 days. After that period but before six months the burden of proof is on the business to show that the faults were not present at supply and the goods are of satisfactory quality. After six months the burden of proof then resides with the consumer.

I will first deal with the potential misdescription with regards the mileage. This is taken from the MOT records. This shows the following mileage:

- 2019 - 34,767
- 2020 – 22,650
- 2021 – 32,713
- 2022 – 41,994

It is up to Mr F to show that the car had travelled more miles than showing on the odometer at the time of supply. I am content that on the balance of probabilities the discrepancy recorded is more likely to be a mis recording in 2019 and Mr F would need to produce more evidence to convince me that this was the true mileage.

I will now consider whether the car is faulty and if that fault means that the car is not of satisfactory quality. I agree with the investigator's assertion that I need to consider the car as a single item. Looking at the file there are the following invoices from the supplying garage:

- 23 April 2024, mileage recorded 54,478. Invoice showed reset tyre pressure light, investigate keyless unlocking checks no faults found.
- 17 May 2024, mileage recorded 54,639. Invoice showed investigate repeat TPMS fault. This was due to a punctured tyre.
- 30 July 2024, mileage recorded 55,094. Invoice showed investigate stop start not working amongst other things.
- 12 August 2024, mileage recorded 55,177. Invoice showed investigate stop start not working. Confirmed issue turbo leaking.
- 3 September 2024, mileage recorded 55,177. Invoice showed remove and replace turbo.
- 5 October 2024, mileage recorded 55,339. Invoice showed misfiring cylinder, with supplied and fitted new spark plugs.
- 31 December 2024, mileage recorded 55,925. Invoice showed replaced turbo solenoid valve due to EML on dash.
- 19 February 2025, mileage recorded 56,408. Invoice showed investigate stop/start INOF.

There is a further invoice from an independent garage dated 1 September 2025 that shows a mileage of 57,847. Invoice showed diagnose robotic control and supply and fit the same. This was at a cost of £3,888.00

Taking all this as a whole the car has been in on several occasions. The first being within two months and under 1,000 miles from supply. The last catastrophic failure took place some 4,231 miles after supply. So whilst this failure took place 18 months after supply the car had travelled limited mileage. I am content that there is sufficient evidence to show that the car is faulty.

Being faulty does not necessarily make it unsatisfactory quality. Mr F was supplied with a second-hand car and should expect wear and tear commensurate with the age and mileage of the car. Given the short time after supply of the first fault coming to light and the car travelling less than 5,000 miles before the failure in August 2025 I believe that there is sufficient evidence to conclude that the car was not of sufficient durability, even given its age and mileage at the time of supply. This means that the car was not of satisfactory quality.

Given the length of time that has passed I do not believe that rejection would be an appropriate remedy. As the repair was due to the car not being of reasonable durability CAAF should refund Mr F the cost of the repair. The investigator felt that a 20% refund of payments was a fair reflection to take into account the impaired usage of the car. Given that Mr F would have been without his car at times during this period I feel that this does represent a fair refund.

Our guidance sets out where we would consider compensation of up to £300 as follows:

If an error has caused the consumer more than the levels of frustration and annoyance you might reasonably expect from day-to-day life, and the impact has been more than just minimal, then an apology won't be enough to remedy the mistake.

An award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation.

The impact on Mr F would fit within this category and £200 as suggested by the investigator would seem a reasonable sum.

Putting things right

I uphold Mr F's complaint and to put things right CAAF need to.

- Refund the £3,888 that Mr F paid for the repairs,
- Refund 20% of Mr F's payments from 23 April 2024 to 1 September 2025 due to the impaired usage of the car,
- Pay 8% simple interest from date of payment to date of settlement on the above sums,
- Pay £200 compensation in recognition of the trouble and upset that's been caused,
- Remove any adverse information from his credit file, if any, in relation to this agreement.

My final decision

I uphold this complaint against CA Auto Finance UK Ltd. In order to put things right that should follow the redress as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 March 2026.

Leon Livermore
Ombudsman