

The complaint

Mr C complains that a vehicle supplied to him under a hire purchase agreement with CA AUTO FINANCE UK LTD (CAF) is of unsatisfactory quality. Mr C's complaint centres on what was offered by CAF to resolve the complaint due to his experience with the vehicle and service received.

What happened

In March 2025, Mr C entered into a hire purchase agreement with CAF to purchase a used vehicle. The vehicle was almost nine years old and had travelled around 82,000 miles. The cash price of the vehicle was £26,294.00, with an advance payment of £2,500.00 being paid. The total amount repayable on the agreement was £33,110.60, payable by 59 monthly payments of £510.01 followed by a final payment of £520.01.

Mr C explained that very soon after acquiring the vehicle, he'd noticed a chipped windscreen that was resolved, and then the vehicle had to be recovered in late March for the first time after it failed to start whilst Mr C was on holiday. The vehicle was in for repairs in early April, and when Mr C collected the vehicle, he noticed issues returning, along with a leak. Mr C returned the vehicle to the dealership again where he explained updates were inconsistent and faults persisted.

Around 22 April 2025, Mr C said he collected a hire car after the dealership agreed to cover the cost. And towards the end of April, Mr C explained he informed both the dealership and Caf of his intention to reject the vehicle as he was unhappy with the time any potential repairs or diagnostics were taking.

In early May. Mr C said he was told of the likely issue, and the vehicle was being sent elsewhere. Mr C was the offered a loan vehicle.

Mr C then reiterated his intention to reject the vehicle, and on around 14 May 2025 was told the vehicle was to be sent to a main dealer, and had been booked in for 3 June 2025. Mr C explained he agreed to a final opportunity to repair as the issue was described as a known fix and the habitation issue was to be addressed in the meantime.

The vehicle was taken in on 3 June 2025 as expected, however underwent further diagnostics. On 13 June 2025, Mr C explained he made it clear he didn't want the vehicle back, he wanted his money back so he could make summer holiday plans.

Eventually in June 2025, rejection of the vehicle was agreed, and CAF issued a follow up to their final response to the complaint, offering to return Mr C's deposit, refund all monthly payments made towards the agreement alongside paying for one month Mr C spent without a replacement vehicle, with some road tax and insurance costs.

Mr C was unhappy with the outcome of his complaint, as he felt he'd incurred additional costs including inflated holiday costs and costs for what a hire car would've been for July 2025. As such he brought his complaint to this service, where it was passed to one of our

investigators. The investigator did not uphold the complaint. It was their opinion that CAF's offer to resolve the complaint was fair and wouldn't recommend additional compensation. Mr C disagreed with this and explained he felt the time taken to reach the decision and the impact the delay had on him warranted higher compensation as additional expenses could've been avoided.

As an agreement couldn't be reached, I've been asked to review the complaint to make 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.

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 C acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr C's complaint about CAF. CAF is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

It's already been agreed that the vehicle wasn't of satisfactory quality when it was supplied, as such I will not be making a finding on the satisfactory quality of the vehicle, but will focus this decision on if CAF did enough to put things right, in line with Mr C's complaint. I appreciate why Mr C feels the way he does about the level of compensation offered by CAF.

Mr C explained amongst other things, he had to incur higher holiday costs than he otherwise would have, due to the length of time it took to reach the rejection decision. Whilst I appreciate Mr C's position in the costs he has asked for, I haven't seen anything which suggest that CAF should have offered more than they already have done to put things right. Mr C may well have been able to have chosen a holiday that costs less than he did, but it is also not fair for CAF to have to pay for a holiday that Mr C decided to incur a cost for himself.

I also don't consider it fair for CAF to pay for costs of a potential hire car, that wasn't a cost incurred.

I appreciate Mr C's point around the length of time taken to reach the rejection decision, and I can see that Mr C explained he did ask to reject the vehicle earlier in the process. I can also see that Mr C gave a final chance to repair the issue after asking to reject, and there

was also a point where Mr C would have accepted repair as a remedy. Mr C has explained that the length of time to reach the rejection decision and the issues handling the situation have ended up in higher costs.

The dealership and CAF appear to have been trying to find out what the issues were and how they could be resolved, and as explained above, at some point, another chance to repair was granted. There will naturally be time taken in any vehicle investigation and repair. Having considered all of the available information, I do think that what CAF have offered is fair to resolve the complaint.

I say this because they have offered to refund all payments made towards the agreement, including the time Mr C had use of the vehicle, as well as when he had access to a hire vehicle, along with some other related tax and insurance costs. This goes further that what I would require CAF to do to put things right had no offer been made and I was considering the distress and inconvenience caused.

To be clear I do think there has been distress and inconvenience caused to Mr C through the process. However, as I consider the offer fair and more than I would direct in total, it is for these reasons that I wouldn't direct them to increase this. I've explained above I don't consider it fair to cover the costs claimed by Mr C, although I do appreciate why Mr C has raised the question and why Mr C feels they have been incurred due to what's happened.

My final decision

Although I appreciate Mr C 's frustration with the time taken to reject the vehicle and why he has complained, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 February 2026.

Jack Evans
Ombudsman