

## The complaint

Mr K complains about the quality of a car he acquired under a personal contract purchase agreement with CA AUTO FINANCE UK LTD (CA Auto).

When I refer to what Mr K and CA Auto said or did, it should also be taken to include things said or done on their behalf.

## What happened

On 13 August 2024, Mr K entered into a personal contract purchase agreement with CA Auto to acquire a car first registered in April 2024. At the time of acquisition, the car had travelled approximately 4,487 miles. The cash price of the car was approximately £40,470 when Mr K acquired it. There was an advance payment of £14,315. There were 48 monthly payments. First payment was £220.67, followed by 45 payments of £220.67. There was also a final payment of £15,783.30, which included the option fee and an administration fee.

Mr K said that one day he put the car on autopilot and after a few minutes of driving, the car went into the middle of two lanes. So, on 9 September 2024 he called to return the car. Mr K said that the customer service agent pressured him to book a service by assuring him that the car is under warranty and any issues with the car will be rectified free of charge. At this service, the technician diagnosed the issue with the steering wheel being faulty. However, Mr K said the service centre did not have the parts in stock, hence another service was booked for 2 January 2025. On that date they replaced the faulty Steering Column Control Module (SCCM).

Mr K said that, when he collected the car, he found the original issues still present and, in addition, the steering wheel was making some cracking noise when adjusting and the driver side seat cover was left open. The car was booked back in for inspection on 27 January 2025. Mr K said the service department did not get a chance to diagnose the car, so they offered Mr K a mobile service and booked this for 21 February 2025. On that day Mr K said the technician diagnosed the car and found the error with the SCCM, which was replaced earlier and some other issues. As such, he asked Mr K to book another appointment to carry out the required repairs as they could not get these fixed during the mobile service/visit.

Mr K said that the car was supplied to him with a faulty steering wheel and with auto steering not working properly. He said the car went back for repairs on four occasions (16 December 2024, 2 January 2025, 27 January 2025, and 21 Feb 2025). He felt it was not reasonable for a new car to have four service visits in a six-months period and for the fault still not having been fixed. He believes he was supplied a faulty car, so he asked for a full refund or a replacement car.

On 9 May 2025 CA Auto wrote to Mr K and, in summary, they said that the car had repairs completed in January and April 2025. They detailed that in January 2025 the issues with the SCCM and steering wheel were repaired.

Following on from this they said Mr K raised an issue regarding the autopilot and noises coming from the steering wheel, however, the road test appointment in February 2025 to

diagnose the issue could not go ahead, as Mr K had childcare commitments, hence a new appointment was scheduled for April 2025. Towards the end of that correspondence CA Auto said that, as the repair was completed in April 2025, they now considered that this complaint was resolved.

Mr K was not happy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr K's complaint. The investigator was of the opinion that Mr K was provided with a car that was not of satisfactory quality, and that Mr K should be entitled to reject the car. The investigator proposed what they deemed to be a fair and reasonable redress.

CA Auto did not accept the investigator's findings, so the complaint 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr K acquired the car under a personal contract purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. CA Auto is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focused on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

I know that Mr K is unhappy about certain actions/inactions of certain dealerships where the car was being repaired. However, I can only consider actions/inactions of CA Auto, and only the aspects they are responsible for and the ones that they have had an opportunity to address. As such, I cannot look at certain actions and/or inactions of the dealership which Mr K might be unhappy about. In this decision I only focused on the aspects I can look into, and only the events that have been raised by Mr K with CA Auto, and the ones they had the opportunity to address in their final response issued to him on 9 May 2025.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr K entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr K's case the car was almost new when it was supplied. It was about four months old, with a cash price of £40,470. It had covered around 4,487 miles. I would have different expectations of it compared to a brand-new car. However, given the age, mileage and price paid, I think it is fair to say that a reasonable person would have high expectations of it and would not expect anything significant to be wrong shortly after it was acquired, as the car was almost brand new. I think it would also be reasonable to expect the car to last a considerable period of time before any problems occurred, and it would be reasonable to expect it to be free from even minor defects shortly after it was acquired.

Mr K thinks that he should be entitled to reject the car.

The CRA sets out that Mr K has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and he would need to ask for the rejection within that time. Mr K would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr K would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but he would not have the right to reject the car until he has exercised his right to a repair first – this is called his final right to reject. And this would be available to him if that repair had not been successful.

First, I considered if there were faults with the car.

From the job sheets I can see that on 2 January 2025 the faulty SCCM was removed and replaced. This was when the car had travelled around 14,203 kilometres (about 8,824 miles, hence about 4,337 miles since supply).

On 21 February 2025, when the car had travelled around 15,908 kilometres (about 9,885 miles hence about 5,398 miles since supply), the job sheet states that Mr K reported an unusual noise emanating from the steering column when adjusting it in or out, after the SCCM was replaced by the service centre. The job sheet states that Mr K's concern was verified. The noise was identified as originating from the steering column shroud, which the expert said, was found to be contacting another component during adjustment. As such, he recommended that the steering column shroud needs replacement to eliminate the noise. Also, he noted that, since the last service, the driver side seat cover was left open from the bottom and, upon inspection, the loose seat base cover was carefully refitted, resolving that issue.

During that visit in February 2025, Mr K said the technician also diagnosed the car and found some errors to do with the SCCM, which was replaced earlier, and some other issues. Mr K provided a photo of the multiple error messages that were found on that day.

Based on all the above, I think the car was, most likely, faulty. However, just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. As such, I have considered if the car was of unsatisfactory quality when it was supplied to Mr K.

First, I considered that the work required and carried out to the faulty SCCM on 2 January 2025, most likely, rendered the car to be of unsatisfactory quality. When arriving at this conclusion, I have considered that a reasonable person would not expect to experience such issues at the time Mr K did. I think the issues that were addressed in January 2025, most likely, rendered the car not reasonably durable. And, considering that these issues were raised so soon after supply, I think most likely they were also present or developing at the

point of supply. Considering the age, mileage, and the price of the car I think, most likely, a reasonable person would not expect to have such issues with the SCCM so soon after supply. Mr K originally wanted to return the car as the issue he experienced with the autopilot happened within the first 30 days after supply. However, the warranty covered the expense of the SCCM repair and Mr K accepted that repair and took the car back. As such I have considered what happened after this.

Mr K said that when he collected the car, he found the original issues still present and in addition, the steering wheel was making some cracking noise when adjusting and the driver side seat cover was left open. And I can see that the job sheet from 21 February 2025 confirmed the noise and identified as originating from the steering column shroud, which the expert said was found to be making contact with another component during adjustment. The expert recommended that the steering column shroud requires replacement to eliminate the noise. The expert was able to refit the loose seat base cover which resolved that issue, but, he said, the steering column shroud replacement would need to be booked in. As such, that issue was not resolved.

CA Auto is of the opinion that the initial concerns with the SCCM have been resolved (in January 2025) and have no relation to the concerns with the autopilot which they have not been provided the opportunity to investigate, as they could not perform the basic road test during the mobile service visit in February 2025. They have also said that an appointment was raised; however, Mr K did not attend this and did not allow them to exercise their one right to repair. However, I disagree with this argument because we look at the car as one item, rather than each of its components. As such, CA Auto does not get one chance to repair each different fault, simply one chance to repair the car. If that fails, the consumer has a final right to reject it. Mr K allowed the car to be fixed once in January 2025, when the SCCM was repaired, and I can see that during the visit in February 2025 it was confirmed that the steering column shroud replacement will need to be booked in. Therefore, CA Auto already had one chance to repair the car. And for clarity, when considering the age, mileage, and the price of the car I think, most likely, a reasonable person would not expect to have such issues with the steering column shroud requiring replacement so soon after supply. At that time, in February 2025, the car had only travelled around 15,908 kilometres, that is about a total of 9,885 miles, hence about 5,398 miles since supply. As such, I think the car was not reasonably durable and this would render it of unsatisfactory quality. I think most likely a reasonable person would expect that part of the car to last longer than it did. And, like I explained above, considering that the car was already repaired once, I think Mr K should be allowed to reject the car.

I think the issue identified above, with the steering column shroud requiring replacement, is enough for Mr K to now be able to reject the car. However, I also think that it could be argued that, most likely, the first repair done in January 2025 had failed. I say this because Mr K said the technician, during that visit in February 2025, also diagnosed the car and found some errors to do with the SCCM, which was replaced earlier. Mr K provided a photo of the multiple error messages that were found on that day. However, even if those error messages were not in relation to the SCCM, based on what I said previously, I think Mr K should now be allowed to reject the car.

CA Auto should end the personal contract purchase agreement. They should collect the car from wherever it is located without charging for the collection.

Mr K has been able to use the car, so I think it is reasonable he pays for this use. As such, CA Auto can keep all monthly repayments that were and are due up until they collect the car.

I understand that Mr K was not kept mobile on the four days when he had to make the car available to be diagnosed and/or repaired. As such, I think CA Auto needs to give him a pro-

pro-rata refund of payments to take account of those four days. The mobile visit in February 2025 most likely did not take most of the day, but I think, as Mr K still needed to make the car available on that day, he was unable to use it and had interrupted access to it for part of that day. As such, I think it is fair and reasonable that this fourth day is included as part of the four day refund.

CA Auto should also refund the advance payment of £14,315 Mr K made.

CA Auto should add interest to the refunded amounts from the date of each payment until the date of settlement. Interest should be calculated at 8% simple per year.

Any adverse information should be removed from Mr K's credit file, and the credit agreement should be marked as settled in full on his credit file, or something similar, and should not show as a voluntary termination.

I know that Mr K has mentioned this situation had an impact on him and had caused him a lot of distress and inconvenience while trying to resolve it. Mr K has explained, in great detail, how this has impacted his life and how he could not use certain features of the car. Also, he had to make the car available for diagnostics and repairs, and spend a significant amount of time trying to resolve this issue. I think Mr K would not have experienced all of this, had CA Auto supplied him with a car that was of a satisfactory quality. As such I think CA Auto should pay him a total of £200 in compensation to reflect the impact this situation had on him.

### **My final decision**

For the reasons given above, and in my provisional decision, I direct CA AUTO FINANCE UK LTD to:

1. End the personal contract purchase agreement;
2. Collect the car from wherever it is located without charging for the collection;
3. Keep all monthly repayments that were and are due up until the car is collected;
4. Provide a pro-rata refund of payments to take account of the four days when Mr K had to make the car available to be diagnosed and/or repaired;
5. Refund the advance payment of £14,315;
6. Add 8% simple interest per year to all refunded amounts, from the date of each payment to the date of settlement;
7. Pay Mr K a total of £200 compensation for distress and inconvenience caused;
8. Remove any adverse information recorded on Mr K's credit file in relation to this credit agreement. The credit agreement should be marked as settled in full on his credit file, or something similar, and should not show as voluntary termination.

If CA AUTO FINANCE UK LTD considers that tax should be deducted from the interest element of my award, they should provide Mr K with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 February 2026.

Mike Kozbial  
**Ombudsman**