

The complaint

Mr S complains that a car supplied to him under a Personal Contract Purchase (PCP) agreement with CA Auto Finance UK Ltd (CA) was of unsatisfactory quality.

What happened

In July 2023, Mr S acquired a used car through a PCP with CA. The car was first registered in April 2022, and the finance agreement confirmed it had travelled around 4,788 miles. The cash price of the car was £54,900 and Mr S paid an advance payment of £13,500. The amount of credit was £41,400 and the duration of the agreement was 48 months; with 47 monthly payments of around £592 and a final payment of £28,148.

In September 2023, Mr S first reported water leaking from the overhead control panel. The car was returned to the dealership to resolve the issue, but Mr S says it reoccurred while his wife was driving the car which startled her and caused her to turn sharply, resulting in steering wheel and tyre damage. The car was returned to the dealership again, but in October 2023, the leak returned and a new drain tube was fitted to repair the fault.

In October 2024, Mr S reported the sunroof opening on its own and not closing. He believed this was linked to the original leak causing an electrical malfunction and complained to CA that the car had been returned to the dealership for the fourth time. He said he didn't want the car back as he'd lost trust in the brand and the ongoing issues were causing him too much stress. In November 2024, the sunroof gearmotor was replaced and the car was returned to Mr S.

In its final response, CA said the dealership had repaired the fault, which it considered to be a fair and reasonable outcome. It didn't think it was liable for the costs Mr S incurred to repair the steering wheel and tyre, but it offered to refund 50% of the cost to repair the wheel as a gesture of goodwill.

Mr S returned the car to the dealership for a fifth time in December 2024, reporting an ongoing leak. The job notes detailed extensive testing but confirmed no leak could be replicated from the overhead control panel. However, water ingress from the rear door seal was identified and repaired. Mr S says he was informed the car was ready to collect in March 2025, but he refused to as he wished to reject it.

Our Investigator reviewed matters and was satisfied the car was of unsatisfactory quality when it was supplied to Mr S – and didn't think CA had done enough to put things right. They said Mr S had waived his right to rejection by accepting repairs, and they hadn't seen anything to show these repairs had failed to resolve the faults. However, they thought CA should refund 10% of Mr S' monthly payments during the periods he was without a car, as he wasn't provided with a like for like courtesy car, and pay him £200 compensation for the distress and inconvenience caused.

CA accepted the Investigator's view, but Mr S didn't. He instructed an independent engineer to inspect the car and provide a report, which he considered supported the original leak hadn't been resolved by the most recent repairs. The Investigator interpreted the engineer's

conclusions differently and remained satisfied the original leak had been successfully repaired prior to the latest repairs.

Mr S didn't agree. In summary, he said he'd sufficiently evidenced that the multiple repair attempts had failed and the car remained faulty – so he should now be able to reject it.

As no agreement was reached, the matter was 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.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is. 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.

Mr S acquired the car using a PCP. This is a regulated consumer credit agreement which means we are able to investigate complaints about it. The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr S entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. CA is the supplier of the car and therefore responsible for complaints about its 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. In this case those relevant circumstances include, but are not limited to, the age, mileage and cash price of the car at the point of supply. 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 S' case the car was used, with a cash price of £54,900. It had covered around 4,788 miles and was just over a year old when he acquired it. It would be unreasonable to have the same expectations as if the car was brand-new. However, I also note this is a young, high-end luxury car, with a significant cost and low mileage. So, I also think a reasonable person would have high expectations of its quality and performance.

In this case, it doesn't seem to be disputed there was a fault with the car that was causing a leak from the overhead control panel, or that this rendered the car of unsatisfactory quality when it was supplied to Mr S. Neither is it disputed that the sunroof gearmotor failed prematurely in October 2024. Repairs have been carried out at no cost to Mr S and he was kept mobile with a courtesy car while these took place – as I'd expect.

Outside of the first 30 days of the agreement, during which a consumer has a short-term right to reject, the CRA says a consumer has a right to reject if the goods do not conform to contract after one repair or replacement. The CRA is clear that, if the single chance at repair fails, then the customer has the right of rejection. However, this doesn't mean the consumer can't agree to other remedies – such as further repairs. And if further repairs are agreed to, the consumer is no longer able to exercise their right to rejection unless the repairs do not bring the car back to conformity within a reasonable timeframe. I'm satisfied Mr S agreed to the repairs carried out here. So, for me to say CA should now allow rejection, I'd first need to

be satisfied there is an ongoing fault with the car and the dealership's attempts to repair it have failed to bring it back to a satisfactory quality.

I've carefully considered the evidence available following the repairs completed in November 2024. Mr S says he returned the car to the dealership in December 2024 following further leaking from the overhead control panel. He's provided a photo of drops of water on the gearstick to support the ongoing presence of the leak.

The dealership's job notes confirm no gaps in the sunroof or issues with sealing or drain tubes were found. All fittings were found to be within manufacturer specifications and there were no signs of water ingress within the car's interior. Extensive water testing was carried out in various conditions, including leaving the car parked outside in rain, high winds and heavy snowfall, road testing and jacking the rear end of the vehicle up to replicate Mr S' parking position with a hose on the roof. The leak couldn't be replicated and there were no other signs of water ingress such as water droplets or condensation. The interior of the car was stripped, including the head liner, and no signs of water ingress were found. However, an overnight water test did identify water ingress from a rear door seal, which was repaired and confirmed as rectified following further water testing.

An independent inspection of the car was carried out in October 2025. Within their report, the engineer confirmed the sunroof operated without any issues and a visual examination found the sunroof cassette and wind deflector to be in good condition. They also confirmed they undertook a thorough water test and didn't identify any evidence of water ingress into the car's interior – and the secondary water ingress found from the door seal would have no effect on the roof ingress.

The engineer confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon. I also haven't been provided with any persuasive mechanical evidence that contradicts the findings of the independent engineer or demonstrates there is an ongoing fault causing a leak from the overhead control panel.

I understand Mr S believes the independent engineer's conclusions support his position that the original fault remains unresolved, but I don't agree. He says this because it confirms the repairs carried out to the door seal to be unrelated to the leak from the sunroof, meaning it couldn't have possibly fixed the original fault. But as I've explained above, neither the dealership or the independent engineer were able to locate an ongoing fault causing a leak from the overhead control panel following the repairs carried out in November 2024. So, while the car was returned for further inspection of a persisting leak from the overhead control panel in December 2024, an ongoing fault wasn't found – suggesting the previous repairs had resolved the problem.

I understand Mr S feels strongly that the photo he's provided supports the presence of an ongoing leak – and said he would've had no reason to go to the trouble of returning the car again if there was no persisting leak. However, having carefully considered these points, I don't think this is enough to conclude there is an ongoing fault with the car. From the photo, I can't say for sure where the water came from. I also note it's significantly less water than shown in the photos and videos that pre-date the repairs. So, it's possible this could've been some trapped water from the previous leak – but this doesn't mean the fault that caused the leak still exists. Having considered the extensive testing described, I'm persuaded it's more likely than not this would've identified an ongoing fault causing a leak if there was one.

I've considered the water ingress coming from a rear door seal was a separate fault requiring repair in December 2024. At this point, the car was around 17 months old. I don't think a reasonable person would expect water ingress through door seals on a high cost,

luxury car of this age. So, I consider this fault also made the car of unsatisfactory quality. While I recognise this means the previous repairs failed to bring the car back to conformity, having considered the nature of the fault and minor repair required to fix it – I don't think rejection would've been a proportionate remedy. I'm therefore satisfied repairing this fault was a fair resolution, and I haven't seen any evidence that this repair failed to fix the fault.

Overall, I'm satisfied there were faults with the car causing water ingress – and these faults rendered the car of unsatisfactory quality. However, there is insufficient evidence to support the repairs carried out have failed to resolve these issues or that a fault remains.

Putting things right

Having determined the car wasn't of satisfactory quality when it was supplied to Mr S, I've next considered what CA should do to put things right.

I've already set out why I consider there to be insufficient evidence to support the ongoing presence of a fault. I therefore don't consider rejection to be reasonable here, given I haven't seen anything that persuades me the repairs Mr S agreed to have failed, or that the car remains of unsatisfactory quality.

However, since the start of the agreement, Mr S has needed to return the car to the dealership on several occasions for repairs and was unable to use it for lengthy periods of time. While he was kept mobile with a courtesy car during these times, it doesn't seem to be disputed that these were not to the same high specification to the one Mr S acquired under this agreement. I therefore consider it reasonable that CA refund 10% of his monthly payments during the periods he was without the car - up until March 2025 when the last repairs were completed - to reflect loss of enjoyment and use of the features of the luxury car he acquired, that the courtesy cars provided did not have.

I've considered the costs incurred by Mr S to repair the steering wheel and tyre. Mr S hasn't provided any submissions to this service specifically relating to this matter, but for completeness I've thought about the offer made by CA within its final response letter. It's not disputed these repairs were required following an incident in the car while in Mr S' wife's possession, so I don't consider these faults made the car of unsatisfactory quality when it was supplied. Mr S told CA the leak startled his wife while driving the car and caused the incident to happen. I haven't seen any incident report that confirms what happened, or mechanical evidence that links the damage to the leak – so I'm satisfied CA's offer to refund 50% of the cost to repair the wheel is reasonable in the circumstances.

Interest should be added to all refunded amounts, calculated at 8% simple per year on each of the refunded payments, from the date of payment until the date of settlement.

Lastly, I've considered that Mr S has been inconvenienced by the issues he's experienced with the car, having to return it to the dealership for repairs multiple times within 18 months of acquiring it. I don't doubt the disappointment and loss of confidence he's felt in the car, or the stress he's experienced trying to resolve the problem. Having considered the overall impact, I'm satisfied £200 compensation fairly reflects the distress and inconvenience caused – and is in line with our award ranges for situations such as this.

My final decision

For the reasons explained, my final decision is that I uphold Mr S' complaint about CA Auto Finance UK Ltd and direct it to:

- Refund 10% of Mr S' monthly payments made during the periods his car was at the

garage for repairs, up until March 2025.

- Refund 50% of the cost to repair the steering wheel – if this hasn't already been paid.
- Pay 8% simple yearly interest on the refunded amounts - calculated from the date of each payment to the date of the refund†.
- Pay Mr S £200 compensation for the distress and inconvenience caused.

†If CA considers that tax should be deducted from the interest element of my award, they should provide Mr S 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 S to accept or reject my decision before 19 February 2026.

Nicola Bastin
Ombudsman