

The complaint

Mr E is unhappy with how the return of a car at the end of a personal contract purchase agreement was dealt with by CA Auto Finance UK Ltd (CAAF).

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

What happened

On 20 March 2023 Mr E entered into a personal contract purchase agreement with CAAF for a car. The price of the car was £16,500 and Mr E paid an advance payment of £1,500 followed by 23 monthly payments of £118.92 and a final payment of £14,807.

Towards the end of the contract Mr E made arrangements to return the car and an inspection was carried out on 11 March 2025. Mr E did not agree with the assessment of the inspector and this is noted on the return report.

Shortly after the return Mr E received a bill saying that there was nothing further to pay. On 6 August 2025 Mr E received a bill for a total of £1,211.78. This was for excess mileage of £648.78 and the balance being for a selection of small faults such as scratches and bumps. Mr E was concerned with both the delay in sending the updated bill and the fact that the charges for damage included things that were there at the time of supply, As he was not happy he complained to CAAF.

On 29 August 2025 CAAF issued their response. They noted that they had not been previously notified of any damage and the excess mileage was a contractual payment so could not be reduced. They did reduce the amount payable for damage by £250. As Mr E was still not happy he complained to us.

On 6 November 2025 our investigator issued their view. Mr E had provided a copy of the original invoice for the car that clearly show that a number of the faults were there at the time of supply. He felt that a £50 charge for a valet on a soiled front door trim and the excess mileage charge were valid. Therefore Mr E should pay £50 (damages) and £648.78 excess mileage.

Mr E did not accept this and felt that due to the delay and the early zero balance bill all charges should be dropped.

CAAF agreed to waive the valet charge but, whilst the BVLRA guidance sets out that any closing invoice should be sent within 28 days, the excess mileage charges were contractual and Mr E would have been aware that they were payable.

Mr E was still not happy and felt that the five-month delay should mean that he has to pay nothing.

As Mr E did not agree the case has been passed to me to consider.

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

I note from the file that both parties have got to the point where they agree that Mr E should not pay for any damages relating to the return of the car. This is primarily due to the majority of the damage being present at the point of supply, and noted on the invoice, plus the delays in issuing the final bill. There is no need for me to review that element of Mr E's complaint. My decision will focus on whether Mr E should pay the element of the settlement bill that relates to excess mileage. If I believe that he shouldn't or that CAAF have otherwise treated Mr E unfairly it would be right to ask CAAF to put this right.

My understanding of the timeline of events is that Mr E entered into the agreement to be supplied a car via a personal contract purchase agreement. On the supplying invoice dated 21 March 2023 the following faults were noted by the supplying garage:

Alloy wheel damage NSF/OSF/OSR
NSF Door and mirror paint
NS quarter panel dents
NSF/OSF wing bonnet/bumper paint and light damage
Rear bumper heavy scratches

On the actual credit agreement itself there is no note of any damage.

In considering the terms of the agreement Mr E entered into, one of the terms states:

EXCESS MILEAGE

- Maximum annual mileage 8,000 miles per year on average over the terms of agreement(s)
- Mileage reading on delivery 26578 miles
- Excess Mileage Charge £0.06 per mile in excess of the maximum annual mileage and pro-rata

Mr E made good payments on the agreement and kept the car in good condition.

At the point of return an inspection was carried out that highlighted a number of minor issues with the car. Mr E did not agree with the assessment of the inspector and the report is marked with the fact that he disputed the damage.

Shortly after returning the vehicle Mr E received a bill stating that he had nothing to pay.

On 6 August 2025 Mr E received a bill for a total of £1,211.78. This was for excess mileage of £648.78 and the balance being for the small faults such as scratches and bumps. Mr E challenged this and eventually CAAF agreed to drop all charges other than the excess mileage sum. Mr E believes that this should not be paid due to the gap between the car

being returned and the invoice being issued. Mr E has also complained about the poor customer service he has received from CAAF.

Firstly, customer service is not a regulated activity and I cannot consider complaints about it. However, if I uphold Mr E's complaint, I can take this into account in deciding what, if any, compensation Mr E is due.

In looking at guidance the British Vehicle Rental and Leasing Association guidance is informative and in particular its fair wear and tear guidance. It should be noted that guidance is only that and this guidance is primarily aimed at fair wear and tear assessments, not excess mileage charges. That said it does guide that invoices should be issued within 28 days and the end of contract charges invoice was not issued until 6 August 2025.

Whilst guidance does provide a framework for me to consider this complaint it does not create any binding obligations on either party. For this I need to look at the contract and the terms are quite clear on excess mileage:

EXCESS MILEAGE

- Maximum annual mileage 8,000 miles per year on average over the terms of agreement(s)
- Mileage reading on delivery 26578 miles
- Excess Mileage Charge £0.06 per mile in excess of the maximum annual mileage and pro-rata

Mr E has covered excess mileage and this is accepted by him. The contract does provide a binding obligation on Mr E to pay to CAAF charges relating to this. The question I need to answer is whether the gap between handing back the car and the invoice being issued is sufficient to negate this obligation.

From the file it is clear that Mr E understood that there would be excess mileage to pay and he states in his original complaint to us that he was surprised that the invoice issued shortly after return did not contain this charge. So, he is not disputing the charge and at the time of hand back he was aware that he was liable. Whilst guidance does say invoices should be issued in a timely manner to allow a consumer to challenge any charge the Limitations Act 1980 does set the time limit as six years to pursue a debt. As the debt is not in dispute in being due under the contract I do not feel that the gap between returning the car and the invoice being issued sufficient for me to uphold this complaint. That said I would expect CAAF to act with forbearance in making arrangements for Mr E to repay the outstanding amount.

For the reasons as set out I do not uphold this case and Mr E is liable for the excess mileage charge of £648.78

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 8 March 2026.

Leon Livermore
Ombudsman

