DRN-6102246

The complaint

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

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

What happened

In July 2024, Mr B entered into a personal contract purchase agreement with CA Auto to acquire a car first registered in November 2018. At the time of acquisition, the car had travelled around 35,666 miles. The cash price of the car was £31,500. Mr B made an advance payment of £5,000. The duration of the agreement was 41 months. There were 40 payments in the amount of £658.07 and a final payment, together with payment of the option fee and any administration fee of £12,577.

Mr B said at the time of supply there was an Engine Management Light (EML) illuminated on the dashboard and the car would not start. The dealer advised him that the car had been turned off for so long that it needed a jump start and the EML light was a sensor. The dealership reset the EML light. A couple days later, the EML light came on again and Mr B said he took this to his local garage to diagnose. Mr B said that on 1 October 2024 he was driving when he heard a bang and then there was smoke coming from the engine while the car went into limp mode and lost power.

Mr B said that he recovered the car to the supply dealer who called him in the morning and said that the car's engine had seized and this was due to no coolant being in the car. However, Mr B said he advised the dealership that the car had a full service on 3 August 2024 wherein the coolant was checked and everything was serviced correctly. Mr B said the supply dealer advised him that the car needed a new engine.

Mr B raised a complaint with CA Auto Finance on 20 December 2024. Mr B believes that he should be entitled to reject the car as he gave CA Auto numerous opportunities to fix it, but nothing has been done.

On 13 March 2025 CA Auto wrote to Mr B and said the supply dealership inspected the car and indicated the coolant warning light was illuminated, suggesting it had been on for some time before the engine failed. They argued that it was Mr B's responsibility to monitor and top up the coolant as needed, especially after driving approximately 10,000 miles since supply. They went to suggest that Mr B may have missed the warning light, leading to engine failure. Therefore, they did not accept liability for the issue. CA Auto said that the supply dealership was of the opinion that car may have experienced a coolant depletion after the service Mr B completed in August 2024.

CA Auto said that to ensure an impartial review they commissioned an independent inspection at a cost of £1,800. They said they received this report on 10 March 2025.

CA Auto said the report indicated the car management system recorded 51 ‘prevented stop messages’ relating to engine temperatures. These may have illuminated a warning to the driver of a high engine temperature at these time points.

CA Auto said that under point 163 of the report, the examiner was of the opinion that the car suffered from a coolant breach, which was found and noted during the service. However, no remedial action was taken to investigate or resolve the coolant breach, and the car was used continually in a faulting state. The report under point 165 said Mr B continued to drive the car in a failing condition without repair, which has then resulted in the car’s engine sustaining elevated operating temperatures, causing the coolant galleries to mix with the oil lubrication circuits, and reduce the engine oil’s and the coolant’s capacities to lubricate and cool, respectively, the engine’s internal components. Ultimately, this resulted in the failure of the engine’s internal components, which has subsequently allowed metal contamination to enter the engine’s oil lubrication circuit, resulting in the engine’s seizure and failure.

CA Auto quoted point 167 which stated that the examiner was of the opinion Mr B had driven the car to destruction, despite the information supplied at the time of the service. In addition, point 168 stated that the examiner’s opinion was that the car had covered some 10,906 miles before failure occurred. Furthermore, although the examiner cannot confirm the exact failed internal component from this limited inspection, they were of the opinion that no internal engine component could have been in a failed state at the point of supply and still allow coverage of such big milage before failure. Based on this, CA Auto said they will not we will not be upholding Mr B’s complaint.

Mr B remained unhappy. As such, he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr B’s complaint, and in summary, the investigator said that there was not enough evidence, on balance, to ask CA Auto to do anything more to resolve Mr B’s complaint.

Mr B disagreed with the investigator. As such, 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 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 B 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 am very aware 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 am only considering the aspects CA Auto are responsible for, so I cannot look at certain actions and/or inactions of the dealership, or the broker, which Mr B might be unhappy about. As such, in this decision I only focused on the aspects I can look into. And, I am only looking at the events that have been raised by Mr B with CA Auto, the ones they had an opportunity to address in their correspondence sent to him on 13 March 2025.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr B 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 B's case the car was used, with a cash price of around £31,500. It had covered around 35,666 miles and was about five years and eight months old when he acquired it. Therefore, based on age and mileage of the car it is reasonable to expect there to be some wear to it because of its use. I would have different expectations of it compared to a brand-new car or one that is less road-worn. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. With second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. CA Auto would not be responsible for anything that was due to normal wear and tear whilst in Mr B's possession. 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.

I know that Mr B thinks he should be entitled to reject the car. The CRA sets out that Mr B 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 B would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr B 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. However, before he would be entitled to a right of repair I need to be satisfied, on balance, that the car had a fault, or was not reasonably durable, rendering it of unsatisfactory quality.

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

There are two independent reports that have been provided. One has been commissioned by CA Auto and the other has been commissioned by Mr B. Both of the reports have confirmed that the car's engine had seized.

Based on the above I think, most likely, the car was faulty. However, just because there are, or there were, faults found with the car does not mean the car was of unsatisfactory quality at the point of supply. As such, I've gone on to consider if the car was of satisfactory quality.

I have read both of the reports in detail and considered their conclusions.

First, I considered the findings of the report commissioned by CA Auto which states that, when the car was serviced on 03 August 2024, with a recorded mileage of 44,907 miles (about 9,241 miles after supply) the coolant level was topped up. However, no testing or rectification of why the coolant level required a top-up was completed. The engine seized on or around 1 October 2024, with a recorded mileage of 46,613 miles (about 1,706 miles after that service was completed).

The examiner said the car management system exhibited 51 ‘prevented stop messages’ recorded relating to the engine’s temperature. A high temperature of 99°C was recorded on or around the point of the failure. The examiner was of the opinion that the car suffered from a coolant breach, which was found and noted during the service. However, no remedial action was taken to investigate or resolve the coolant breach, and the car was used continually in a faulting state, which has then resulted in the car’s engine sustaining elevated operating temperatures, causing the coolant galleries to mix with the oil lubrication circuits, and reducing the engine oil’s and coolant’s capacities to lubricate and cool, respectively, the engine’s internal components.

The examiner was of the opinion that Mr B has driven the car to destruction despite the information supplied at the time of the service. They also said Mr B may have been alerted to the engine coolant issues by the illumination of warning messages or having the DTC codes read and subsequently erased. Plus, the examiner said the car had covered some 10,906 miles before failure occurred, and although they could not confirm the failed internal component, they were still of the opinion that no internal engine component could have been in a failed state at the point of supply, and sustained the mileage covered before its complete failure.

I know Mr B feels that the issues were present or developing at the point of sale as, he said, there were issues with the EML light at the point of supply and shortly afterwards. But there is not enough evidence to show what the light was in relation to, and I have considered that the independent report commissioned by CA Auto clearly indicated that the faults that caused the engine to seize would not have been present at the point of supply.

Mr B has questioned this report and commissioned his own. This second report was provided after the engine was stripped for a detailed inspection. As such, I have carefully considered it.

The second report said the internal bearings were completely severed at the time of the inspection, which could indicate that the engine had been operating under stress for some time. It said this could be consistent with a latent defect that progressively worsened, rather than solely being the result of the Mr B's actions. As such, I have considered this but the report does not elaborate or provide evidence on this point. It does not elaborate on the root cause of the issue. And considering that they had stripped the engine, I would have considered that, most likely, they would have been able to provide more detail regarding this matter.

I know that the second report also said that the failure of the engine was caused by oil deprivation through its dilution with the coolant, resulting in progressive bearing failure, overheating, and eventual seizure. The inspection revealed catastrophic damage to the big-end and main bearings, connecting rods, and crankshaft consistent with sustained oil starvation. Furthermore, the report said that the metallic debris in the oil filter further confirmed internal component failure. It also talked about how the car failed within three months of purchase and only 1,706 miles after its service. It said, at that service, the coolant

level required topping up, yet no investigation into the cause of coolant loss was carried out. This omission allowed an underlying coolant ingress fault to remain unresolved. As such, I can see that this second report had not given a lot of consideration to the fact that by the August 2024 service the car already had done about 9,200 miles and the fault had not occurred in that time frame. I think that if the car had a fault with the engine, one that was present or developing at the point of supply, I think most likely it would have become evident much sooner than it did.

When coming to the above conclusion, I have considered both reports in detail, but I find the findings of the first report more persuasive. It seems to provide more detail and analysis. In addition, I considered that the car had 51 'prevented stop messages' recorded relating to the engine's temperatures. As such, most likely, the fault with the engine occurred due to the coolant levels not being maintained, while the car continued to be used for a significant number of miles, over a very short period. Overall, based on all the available evidence, I do not have enough information to say that, most likely, the car was not of satisfactory quality at the point of supply.

While I sympathise with Mr B for all the difficulties that he is experiencing, I do not think CA Auto needs to take any further action regarding his complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 April 2026.

Mike Kozbial
Ombudsman