

The complaint

Mr G is unhappy that a car supplied to him under a personal contract purchase agreement with CA Auto Finance UK Ltd ('CAF') was of an unsatisfactory quality.

What happened

In April 2024, Mr G was supplied with a used car through a personal contract purchase agreement with CAF. He paid an advance payment of £6,000 and the agreement was for £22,600 over 48 months; with 47 monthly payments of £342.74 and a final payment of £13,156. At the time of supply, the car was just over four years old and had done 40,216 miles (according to the agreement).

Mr G had problems with the car from shortly after it was supplied to him. He raised these issues with the supplying dealership, who advised him to claim under the manufacturer's warranty. He did so and, on 3 May 2024, the rear spoiler was replaced due to delamination. On 21 June 2024, the exterior trim was adjusted to try and resolve a door alignment issue, and a rear light cluster was replaced due to water ingress causing condensation.

In October 2024, further repairs were undertaken due to a loose bumper, the driver's door not shutting properly, water ingress through a window, vinyl wrap coming loose, and a loose number plate surround. In November 2024, repairs were undertaken to the alloy wheels, and in March 2025 a connectivity board was replaced due to speakers cutting out and not working. Following a complaint to CAF, they arranged for the car to be inspected by an independent engineer.

This inspection took place on 7 October 2025, when the car had done 53,182 miles – around 13,000 miles since it was supplied to Mr G. The engineer identified current issues with misaligned body panels that made the car of an unsatisfactory quality. They also said these issues would've been present when the car was supplied to Mr G.

Despite the contents of this report, CAF didn't uphold Mr G's complaint, saying the issues with the car were general wear and tear, and he should raise these with the manufacturer. Unhappy with this response, Mr G brought the matter to the Financial Ombudsman Service for investigation.

Our investigator said there were current faults with the car that were present when it was supplied to Mr G, despite multiple repair attempts having taken place. So, they thought Mr G should now be allowed to reject the car, with a refund of the deposit he paid, a refund of 15% of the payments that have been paid, a refund of 25% of the connectivity package payments, and an additional £250 compensation for the distress and inconvenience caused.

CAF didn't agree with the investigator. They said that all issues reported within the first six months after supply were satisfactorily repaired, and they didn't think it was fair to disregard the Consumer Rights Act 2015 ('CRA') in relation to any issues that occurred after six months. They also felt the car was of a satisfactory quality when it was supplied.

Because CAF didn't agree, this matter 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. 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.

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 G was supplied with a car under a personal contract purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The CRA says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, CAF are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless CAF can show otherwise. So, if I thought the car was faulty when Mr G took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask CAF to put this right.

It's not disputed that Mr G raised issues with the car, both within six months of it being supplied to him and afterwards. Job cards show that repair attempts took place on 3 May 2024, 21 June 2024, 18 October 2024, 28 November 2024, and 27 March 2025. It's also the case that some of the issues Mr G had raised were successfully repaired, and these faults haven't reoccurred.

However, there are still issues with the car. CAF have referred to the CRA and that it's for Mr G to show that any issues that occurred more than six months after supply were present or developing when the car was supplied to him. I'm satisfied the independent engineer's report of 7 October 2025 shows this. The engineer clearly states that there are misaligned body panels that were present when the car was supplied, and which make the car of an unsatisfactory quality.

The engineer also 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.

Section 24(5) of the CRA says *"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract."* This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it's not a single chance of repair for the dealership AND a single chance of repair for CAF – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

When Mr G first raised his issues with the dealership, they declined to inspect and repair the car, instead referring Mr G back to the manufacturer for a warranty claim. While I don't think they acted unreasonably in doing this, by their actions the dealership also accepted that any warranty repair would be the single chance of repair – the dealership was not able to defer *their* chance at repairing the car to a later date.

It's clear from the job cards that the single chance of repair took place on 3 May 2024. So, if these repairs failed or if any further faults were identified, Mr G had the right of rejection. But this didn't mean he had to reject the car, and he was able to agree to further repairs, which he did. However, as the independent engineer has confirmed there are still faults with the car that were present at supply, and as multiple repair attempts have taken place, I'm satisfied Mr G still has the right to reject the car.

CAF have commented that, during the repair attempt in October 2024 (the third time repairs were attempted on the car), the repairer was unable to identify any panel misalignment. So, they don't think it's fair this is classed as a failed repair attempt – *“a vehicle cannot be rejected, for a concern that has never been confirmed as a fault.”*

While this is noted, as stated above, this is not how the CRA works – the first attempted repair is to cover all issues with the car, not just those complained about. The independent engineer has confirmed misaligned body panels that made the car of an unsatisfactory quality. So, not only should these misaligned panels have been identified and repaired in October 2024, this should also have happened in May 2024, June 2024, November 2024, and March 2025. And the fact they weren't doesn't mean there is now a further right to attempt repair without Mr G expressly agreeing to this – there isn't.

As such, I'm satisfied that Mr G should now be allowed to reject the car, with a refund of the deposit he paid.

Mr G has been able to use the car while it was in his possession. And, while it was being repaired, he was also provided with a courtesy car to keep him mobile. Because of this, I think it's only fair that he pays for this usage.

However, given that Mr G has had issues with the car from the point of supply, I'm also satisfied that his usage and enjoyment of the car have been impaired. Because of this, I also think it's fair that CAF refund some of the payments Mr G made. And I think 15% of the payments made fairly reflects the impaired use caused by the car not being of a satisfactory quality.

Mr G also pays a monthly subscription for a premium connectivity package. He complained about these connectivity issues in March 2025 and the problem is ongoing. So, I also think CAF should refund 25% of these payments, as it also fairly reflects Mr G's impaired usage.

Finally, I think Mr G should be compensated for the distress and inconvenience he's been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator also recommended CAF pay Mr G an additional £250 to recognise the distress and inconvenience. Having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, this is a payment I'm directing CAF to make.

Putting things right

If they haven't already, CAF should:

- end the agreement, ensuring Mr G is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the car at no collection cost to Mr G;
- remove any adverse entries relating to this agreement from Mr G's credit file;
- refund the deposit Mr G paid (if any part of this deposit is made up of funds paid through a dealer contribution, CAF is entitled to retain that proportion of the deposit);
- refund 15 % of the monthly payments Mr G has paid, from the start of the agreement until when it is ended, to reflect the impaired usage he has had of the car;
- upon receipt of proof of payments, refund 25% of the premium connectivity package payments Mr G has paid, from March 2025 to when the agreement is ended;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr G made the payments to the date of the refund[†]; and
- pay Mr G an additional £250 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (CAF must pay this compensation within 28 days of the date on which we tell them Mr G accepts my final decision. If they pay later than this date, CAF must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment[†]).

[†]If HM Revenue & Customs requires CAF to take off tax from this interest, CAF must give Mr G a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr G's complaint about CA Auto Finance UK Ltd. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 March 2026.

Andrew Burford
Ombudsman