

The complaint

Mrs S complains about the quality of a vehicle she acquired through a hire purchase agreement financed by CA Auto Finance UK Limited trading as CA Auto Finance (CA).

What happened

In November 2024 Mrs S acquired a used car through a hire purchase agreement. The car was around three and a half years old, and it had travelled about 46,500 miles at the time of supply.

Mrs S said she reported problems with the reversing camera and brakes the day after she acquired the car, and these faults remained unresolved despite returning the car to the dealership for repairs.

Mrs S complained to CA about the quality of the car in December 2024. She said there were problems with the reversing camera, cosmetic issues with the paintwork, the passenger door was misaligned, the brakes were squeaking and there were problems with the multimedia system.

CA sent Mrs S their final response to her complaint in February 2025. They said the dealership was willing to investigate the problems, but as the car had been seized, and the agreement invalidated, so their recoveries team would be in touch with Mrs S. CA decided to return the car to Mrs S.

Unhappy with CA's response, Mrs S brought her complaint to this service for investigation. She said there were faults with the camera, paintwork, and a noise whilst braking.

In May 2025 the car was returned to the dealership for cosmetic repairs and to clean the brakes.

The car passed an MOT at the end of May 2025 and had travelled around 48,000 miles at this time.

In early June 2025 Mrs S reported a fault with the alternator which caused the car to break down. Mrs S paid £2,256 for repairs.

Our investigator gave their view that the fault with the reversing camera made the car of unsatisfactory quality at the time it was supplied to Mrs S, but the repair offered for this fault was a reasonable resolution. They said the remaining faults reported by Mrs S didn't make the car of unsatisfactory quality when it was supplied to Mrs S and so they didn't ask CA to do anything more.

Mrs S didn't agree. She said, in summary, that the collective issues made the car of unsatisfactory quality, and provided further evidence in respect of the paintwork issues.

Our investigator gave their view that they'd seen evidence that some of the paintwork issues were present prior to the car being supplied, and so they were persuaded that they were in

line with what a reasonable person might expect on a car of this age and mileage, and so they didn't think they made the car of unsatisfactory quality at the time it was supplied to Mrs S.

Mrs S didn't agree. She said, in summary, the reversing camera fault remains, the brakes still make a noise when reversing, the paintwork was of unsatisfactory quality when the car was supplied, and the alternator shouldn't have failed.

I issued a provisional decision in this case in January 2026. I said, in summary, that I was minded to uphold Mrs S's complaint. I was minded to say that the fault with the reversing camera made the car of unsatisfactory quality when it was supplied to Mrs S, and it hadn't been repaired in a reasonable time and without undue convenience to Mrs S, and so I was minded to say that Mrs S was entitled to her final right to reject the vehicle as a result of this fault. I was also minded to say that the alternator fault made the car of unsatisfactory quality when it was supplied to Mrs S and so CA should refund the cost of this repair. I was minded to say that the paintwork issues likely made the car of unsatisfactory quality when it was supplied to Mrs S, but as I thought she was entitled to her final right to reject the vehicle I didn't consider this fault further.

Mrs S responded to my provisional decision to accept it.

CA responded to my provisional decision. They said, in summary, that Mrs S knew the reversing camera needed to be repaired by a main dealership, and that she had the opportunity to have this completed. They said the paintwork was repaired and accepted by Mrs S, and the fault with the alternator occurred more than six months after Mrs S acquired the vehicle but hasn't been shown to have been present or developing at the point of sale. They said most manufacturers would only guarantee the alternator for three years from new, so seven to ten years is only a prediction, and so this fault didn't make the car of unsatisfactory quality at the time it was supplied to Mrs S.

CA said no consideration had been given to the circumstances surrounding the car being seized. They said Mrs S had allowed the car to be driven by a third party where it was uninsured and travelling at speeds of over 100mph, leading to seizure by the police. They said this calls into question whether Mrs S was taking reasonable care of the vehicle.

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 what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated conditional sale agreement – so we can consider a complaint relating to it. CA as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the "quality of the goods is satisfactory"

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car's history. The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Here the car was acquired used with a cash price of around £42,000. It was about three and a half years old and had travelled around 46,500 miles at the time of supply.

When a person acquires a used car like Mrs S's it's reasonable to say that the expectation of quality is lower than that of a new or lower mileage second-hand car. The price for the vehicle is lower, and this is reflective of the fact that the car is more road-worn. The chance of encountering an issue sooner, is higher.

Mrs S reported a fault with the reversing camera soon after she acquired the car in November 2024. This fault isn't disputed, and CA offered to repair it. I don't think a reasonable person would expect a fault of this nature considering the age, price and mileage of the car, and so I'm satisfied that it made the vehicle of unsatisfactory quality at the time it was supplied to Mrs S.

Having made that finding I need to decide what, if anything, CA should do to put things right.

The CRA sets out the remedies available where goods are considered not to be of satisfactory quality and one of the remedies is to allow an opportunity to repair the goods. A repair should be done in a reasonable time and without undue inconvenience to the consumer.

CA have said that the supplying dealership aren't able to complete repairs to the camera, but they have offered to pay for diagnostics and Mrs S is responsible for not having taken the car to a main dealership to have this carried out.

I've thought carefully about this. I've seen evidence that Mrs S did take the car to the main dealership in March 2025. She paid £150 for diagnostics, and the report confirms that further time is required in order to strip down/diagnose the fault with the camera. Mrs S has not received a refund for this diagnostic and has said that she's hesitant to spend further money on the car without knowing if it will be refunded.

I appreciate that the supplying dealer don't have the facilities to complete this repair for Mrs S. But I must consider that CA have had knowledge of this fault for some time. Mrs S has taken the car to the main dealership, and returned it to the supplying dealership for other repairs, and no arrangements have been made by CA for further diagnostics or repairs to be completed.

As the camera remains faulty, I think a reasonable time period has passed, and it's not clear when a repair will be made or how long it might take to complete. So, it's likely that Mrs S will be put to significant inconvenience, in addition to that which she's already experienced, in waiting for a repair.

All things considered, I remain satisfied that the camera fault in isolation means that Mrs S is now entitled to her final right to reject the vehicle.

Mrs S experienced a failure of the alternator in July 2025. The car was around four years old and had travelled around 48,000 miles at the time of this failure. I've seen evidence that Mrs S's car passed an MOT a few weeks prior to this fault. CA have said this shows that there was no issue with the alternator when the car was supplied to her.

An alternator usually had a lifespan of seven to ten years, or some 80,000+ miles. CA have said that a manufacturer would only provide a three-year warranty on this part, and so seven to ten years is only a prediction. I'm not persuaded that the length of a manufacturer warranty should determine the usual lifespan of the part. A manufacturer will have a number

of reasons for warranting parts for certain lengths of time. I am persuaded that a reasonable person would expect the alternator to function fault free for an average time, excluding any external factors. I haven't seen any evidence that the failure was a result of poor maintenance or any other external factor. And so, I'm satisfied that it has failed prematurely. So, it made the car of unsatisfactory quality at the time it was supplied to Mrs S, specifically that the parts were not reasonably durable.

Mrs S has also reported problems with the paintwork of the vehicle. I've seen evidence that some of these issues were apparent before the car was supplied to Mrs S, and the dealership have arranged for various repairs to take place. Mrs S reports that there are still problems with the paint peeling away, swirl marks in the paint and colour and finish inconsistencies across the car.

CA supplied Mrs S with a car that was around three and a half years old and had travelled around 46,000 miles, and so I think a reasonable person might expect there to be some cosmetic damage already apparent on the vehicle. But I must also consider that the cash price for this vehicle was over £40,000, and I think a reasonable person would expect the level of cosmetic finish to be higher than is displayed on Mrs S's car. I also don't think a reasonable person would expect a car of this make, model and value to have paint peeling so significantly that the white primer can be seen in several areas, or that professional detailing of the car would lead to swirl marks in the paint finish.

All things considered, I'm persuaded that the poor paintwork made the car of unsatisfactory quality at the time it was supplied to Mrs S. For reasons set out above I'm persuaded that the camera fault means that Mrs S is entitled to her final right to reject the vehicle, and so I haven't considered whether repair of the paintwork would be reasonable.

CA have said that Mrs S allowed a third party to use the vehicle which resulted in it being seized by the police. They say this calls into question whether she's taken reasonable care of the vehicle. I understand that the car was being driven by a person with no insurance, and in excess of 100mph. I haven't seen any evidence that this use of the car contributed to the camera fault, which was present prior to the car being seized. I haven't seen any evidence that driving the car at high speeds has contributed to the fault with the alternator.

I understand that the agreement might give CA the right to terminate it if Mrs S breaches it in a serious way, but I note that they made the decision to return the car to Mrs S following the police seizure rather than take any action to recover the goods.

Putting things right

All things considered, I'm satisfied that the car was of unsatisfactory quality at the time it was supplied to Mrs S, and that it remains of unsatisfactory quality, so for the reasons outlined above Mrs S is now entitled to her final right to reject the car.

CA should end the agreement ensuring that Mrs S is not liable for monthly payments after the point of collection, refund Mrs S's £3,000 deposit plus interest, and CA should collect the car at no cost to Mrs S.

I've seen evidence that Mrs S paid £150 for the reverse camera diagnostics. She wouldn't have paid this but for the car being of unsatisfactory quality, and so CA should refund this cost, plus interest.

I've seen evidence that Mrs S paid £2,256 for a replacement alternator. CA told Mrs S that they wouldn't assist her with this fault. As it made the car undrivable, I don't think it was unreasonable for Mrs S to pay for this repair to be completed, so that she could keep herself

mobile. Mrs S wouldn't have needed to pay for this repair but for the car being of unsatisfactory quality, and so CA should refund Mrs S for this cost, plus interest.

Mrs S has been put to distress and inconvenience in being supplied with a vehicle that wasn't of satisfactory quality. She's had to spend time having the faults diagnosed and has had to use the car for a significant period with faults still present. All things considered, I think CA should pay Mrs S £400 to reflect the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint, and CA Auto Finance UK Limited trading as CA Auto Finance must:

- End the agreement ensuring that Mrs S is not liable for monthly rentals after the point of collection. (It should refund any overpayment if applicable)
- Take the vehicle back without charging for collection
- Refund Mrs S's £3,000 deposit plus 8% simple interest from the date of payment to the date of refund
- Refund Mrs S £150 for the diagnostics on the camera plus 8% simple interest from the date of payment to the date of refund
- Refund Mrs S £2,256 for repairs to the alternator plus 8% simple interest from the date of payment to the date of refund
- Pay Mrs S £400 compensation to reflect the distress and inconvenience caused

If CA considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mrs S how much it's taken off. It should also give Mrs S a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 10 March 2026.

Zoe Merriman
Ombudsman