

The complaint

Mr H complains about the quality of a vehicle that was supplied through a motor finance agreement with CA AUTO FINANCE UK LTD (CAF).

What happened

In November 2024, Mr H acquired a used car through a hire purchase agreement with CAF. The car was around ten years and six months old and, according to MOT records, had travelled 104,360 miles as of October 2024. A total of £3,607.40 in negative equity was added to the agreement, bringing the total amount financed to £12,992.40, payable over 54 monthly repayments of £317.16.

Mr H complained about several issues with the car. He said the vehicle shakes when travelling around 50 mph, the engine management light (EML) has illuminated, the steering wheel knocks when cornering, and the brakes make a squealing noise when in use. He also said the touchpad control no longer works and there is a clicking noise coming from the passenger side. Mr H said the dealership was only willing to fix the EML fault.

In January 2025, CAF issued its final response to Mr H's complaint. In summary, it confirmed the dealership had been aware of the EML issue, but said that Mr H accepted the vehicle in its condition and arranged for repairs. CAF said Mr H did not attend a repair appointment and instead asked to take the car to a third-party garage, which the dealership declined. CAF did not uphold Mr H's complaint.

Unhappy with CAF's outcome, Mr H referred his complaint to this service, where it was passed to one of our investigators to look into.

Mr H said the car had issues when he acquired it, so he wanted to return the car, receive a full refund and unwind the finance agreement. He added that he had SORN'd the car and not used it since October 2025 due to the issues.

In December 2025, the investigator issued their view and recommended that Mr H's complaint should be upheld. They concluded that a fault with the suspension arm had been developing prior to sale and had not been repaired by the dealership, making the car of unsatisfactory quality. The investigator recommended that CAF facilitate a rejection of the car, refund rentals for loss of use, and pay Mr H £200 in compensation for distress and inconvenience.

Mr H responded to say he didn't think it was fair that he was being asked to repay the negative equity, as he had already been paying for a car he wasn't able to use and had incurred additional costs.

CAF did not accept the investigator's view. They said Mr H failed to attend repair appointments and had likely continued to use the vehicle knowing it was faulty. CAF also provided testimony from the dealership to support its position.

In January 2026, the investigator issued a second view and recommended that Mr H's complaint should not be upheld. The investigator concluded that the problems Mr H experienced did not make the car unsatisfactory, given its age and mileage at supply. They also considered that the car needed to be diagnosed for the faults and repairs, which had not happened.

Mr H did not accept this recommendation and asked that his complaint be referred to an ombudsman for a final decision.

What I've decided – and why

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In considering what is fair and reasonable, I've reviewed all the evidence and information provided afresh, along with the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

In response to the investigator's view, Mr H made a lengthy submission. In it, he gave several reasons why he felt the outcome was incorrect. These included, but were not limited to, concerns about incorrect information being used in the investigator's view, the validity of the MOT carried out, and the dealership's failure to investigate other issues. I've read and considered everything Mr H and CAF have said, but I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I haven't taken it into account, but because I don't think I need to comment on it in order to reach what I believe is the right outcome.

Mr H complains about a hire purchase agreement. Entering into consumer credit contracts of this nature is a regulated activity, so I'm satisfied that we can consider Mr H's complaint about CAF. As the supplier of the goods under the agreement, CAF is responsible for complaints about their quality.

The Consumer Rights Act 2015 (CRA) is relevant here. It states that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described." To be considered satisfactory, the CRA says the goods must meet the standard a reasonable person would consider satisfactory, taking into account any description of the goods, the price, and all other relevant circumstances.

In a case involving a car, the other relevant circumstances a court would likely consider might include factors such as age, mileage at the time of sale, and the vehicle's history.

My starting point is that CAF supplied Mr H with a used car that had travelled around 104,000 miles and was over ten years old. With this in mind, I think it's fair to say a reasonable person would expect its quality to be considerably lower than that of a brand-new car or one with lower mileage, and that there would be signs of wear and tear due to its age and use.

Based on the information provided, I'm satisfied there was a fault with the car. Neither party disputes this. Although I haven't seen expert evidence confirming a fault exists, I'm persuaded by the testimony from both parties that the sensor required fixing at the point of

supply. Both parties accept that the car was supplied in a condition that required attention. Mr H acknowledged he accepted the car knowing there was an issue, and CAF confirmed they supplied the car in that condition at Mr H's request. Having established there was a fault, I've considered whether the car was of satisfactory quality at the time of supply.

Satisfactory quality

Mr H acquired the car with a known issue relating to the sensor; this is undisputed. However, Mr H also raised additional issues, including a possible suspension problem. He wasn't happy that the dealership only agreed to repair the EML issue, which appears to relate to the faulty sensor. As a result, Mr H declined to attend further appointments, having lost confidence in the dealership's commitment to repairing the car.

Mr H believes the suspension was faulty at the point of supply and referred to the MOT advisories. He also said he didn't think the car should have passed its MOT prior to sale. MOTs are a legal requirement and must be completed by authorised mechanics. I've seen no evidence to suggest the MOT wasn't completed to a proper standard.

The MOT prior to sale noted advisories; however, the vehicle still passed, meaning it was considered roadworthy. Advisories don't make a car unsatisfactory—they indicate that certain items may need attention in the near future. Given the age and mileage of the car at supply, I don't think this was unreasonable.

Mr H told us he believed there were other issues with the car, which I've listed earlier. However, I've seen no expert evidence confirming these issues or indicating that any of them were inherent and made the car of unsatisfactory quality. For example, neither party has provided an independent inspection report addressing them. As such, I think the issues Mr H experienced are likely to be wear-and-tear in nature—particularly given the car was supplied with around 104,000 miles and over ten years old, which I think is a significant factor in the circumstances.

Components are more likely to be reaching the end of their service life, which is reflected in the value and price of the vehicle.

I recognise all the information Mr H has provided for my consideration, and I appreciate how strongly he feels about the situation. However, none of what he has said is compelling enough to persuade me that the faults experienced were unreasonable or made the car of unsatisfactory quality.

The car may have been supplied with an existing issue, but both parties agreed it was supplied in that condition with an arrangement for repairs to be carried out. Both parties agreed that the main issue identified prior to sale (the EML fault) was being addressed. So, I don't think it was unreasonable that the car was supplied in this condition, given the agreement reached.

However, as I've concluded that the other issues raised by Mr H don't make the car of unsatisfactory quality, and that Mr H was given an opportunity to have the main issue repaired by the dealership, I don't require CAF to take any further action in respect of this complaint.

My final decision

My final decision is that I don't uphold Mr H's complaint about CA AUTO FINANCE UK LTD.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 April 2026.

Benjamin John
Ombudsman