

## The complaint

Mrs L complains about a car supplied to her using a hire purchase agreement taken out with CA Auto Finance UK Ltd (“CA Auto”).

## What happened

In October 2023, Mrs L acquired a used car using a hire purchase agreement with CA Auto. The car was nearly seven years old, the cash price of the car recorded on the agreement was £8,595, the agreement was for 60 months, made up of 59 regular, monthly repayments of £191.87, followed by a final payment of £201.87, which included a £10 option to purchase fee. These payments included other products taken out with the car. The advance payment recorded on the agreement was £1,000. CA Auto said the car’s mileage at the point of supply was 27,000 miles.

In early June 2024, Mrs L said she experienced issues with the car where a warning light illuminated on the car’s dashboard. The car was recovered to the supplying dealership, and she was later told that the car broke down due to a failed wet belt. Mrs L said she had only driven the car around a further 6,000 miles from the point of supply up to its failure.

In February 2025, Mrs L was informed that her car was ready for collection and that they had completed an MOT on it. Mrs L was given a courtesy car to be kept mobile between October 2024 and February 2025.

Mrs L said that within days of collecting the car, warning lights reappeared on the car’s dashboard. Mrs L said she was told that this was likely a service light which needed to be reset. However, she said that when she drove the car again, the engine management light (“EML”) illuminated on the car’s dashboard, so she took the car back to the supplying dealership. An email Mrs L received from the dealership explained that a full relearn was carried out to the variable valve timing (“VVT”) actuators and that this could have been because of the repair to the rebuild of the wet belt as they likely weren’t calibrated properly.

Mrs L said that after repeated attempts in allowing the dealership to repair the issue, she refused to take the car back.

Mrs L complained to CA Auto and a final response was issued to her in April 2025. In summary, they said they didn’t think Mrs L should be allowed to reject the car, given that repairs had been completed and the car was ready to be collected. CA Auto offered Mrs L a reimbursement of a one month instalment totalling around £192.

Unhappy with CA Auto’s final response, Mrs L referred her complaint to our service towards the end of April 2025. Mrs L supplied our service with a copy of the car’s service history. It showed that a service was completed to the car each year during its lifetime, with the last service completed to it in August 2023.

Our investigator initially didn’t uphold Mrs L’s complaint as he thought there wasn’t enough evidence to show there was a fault with the car’s wet belt which made the car of unsatisfactory quality.

Mrs L disagreed with what the investigator concluded and commissioned an independent report to be completed by an expert engineer in October 2025, where the car's odometer was recorded as 33,797 miles.

Among other things, the report said that if the servicing was completed correctly and the car's engine oil condition was as expected, then the condition of the wet belt should be referred back to the manufacturer for consideration as a potential premature defect.

The investigator changed his opinion on the complaint and issued a further view, where he upheld Mrs L's complaint. He explained what CA Auto needed to do to put things right as he was persuaded that the car wasn't supplied to Mrs L of satisfactory quality.

Mrs L accepted the investigator's outcome. CA Auto disagreed with the investigator's findings. Among other things, they thought too much weight was placed on the conclusions reached by the independent engineer who completed the report, despite it not concluding a defect at the point of supply.

Our investigator explained why the further comments made by CA Auto didn't change his opinion. On balance, the investigator thought the new faults with the car were linked to the repairs that took place, and this was supported from the other information he had seen, such as from emails between Mrs L and the dealership.

Among other things, CA Auto thought that the independent report was clear in explaining that the wet belt had been repaired and that the battery requiring replacement was consistent with the car not being used. CA Auto suggested that they should be allowed to replace the battery, complete another diagnosis, and reassess if the car continued to show a fault.

As CA Auto disagreed with the investigator's findings, the complaint was 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'm upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mrs L complains about a car supplied to her under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mrs L's complaint about CA Auto.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – CA Auto here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mrs L acquired was used, nearly seven years old, had been driven 27,000 miles and cost around £8,600. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

#### Had the car developed a fault?

I'm disappointed at the lack of job sheets supplied in relation to the diagnostics, investigations and repairs that have been carried out to this car. From my understanding, most of the repairs and investigations had been completed by the supplying dealership, or at the very least, authorised by them. I am unsure why job sheets haven't been supplied, despite our service requesting them from CA Auto. And considering the supplying dealership has regularly communicated with CA Auto, from emails that have been supplied, it isn't clear why job sheets couldn't have been passed on here. So, it's worth noting that I am basing things off the balance of probabilities, given the limited information I have in relation to the issues with the car.

From what I have seen, I'm satisfied the car had a fault with it, and it is likely in relation to a failed wet belt, which required replacing. I say this because I am aware the car wasn't in Mrs L's possession for several months and from emails I have seen between Mrs L and the supplying dealership, it seems the wet belt was replaced.

So, I'm satisfied the car had a fault to its wet belt in and around June 2024.

I'm also satisfied that the car had a further fault to it in February 2025, given the emails I have seen. This was likely in relation to an EML appearing on the car's dashboard and the VVT actuators needing calibrating. The email I had seen shows that this was likely required due to the wet belt repair not being carried out correctly.

#### Was the car of satisfactory quality at the point of supply?

In this instance, I'm mindful of a few things here. Firstly, Mrs L has provided the car's service history book, which showed that the car was serviced every year in its lifetime, up to the point Mrs L acquired the car. Given that the car was regularly serviced, I think it is reasonable to assume the car's engine oil, among other related parts, would be inspected and/or changed as part of a routine service.

Secondly, I have noted that the manufacturer guidelines for this car says that the wet belt is recommended to be replaced at six years or between 62,000 - 64,000 miles (whichever comes first). Given that the car was nearly seven years old at the point of supply, if the manufacturer's guidelines were followed, the wet belt should have been replaced at around November 2022.

Considering Mrs L acquired a car with a full-service history, similar to the above, I think it is reasonable for Mrs L to have assumed the car's wet belt would have been replaced in line with the manufacturer's guidelines, given the car was regularly serviced.

Lastly, I have noted the findings of the independent inspection that was carried out to the car. Its findings gave a detailed breakdown about wet belts and that their service life requirements are crucial. It said that if the car's service history was correct and the condition

of the car's engine oil was correct, then the car's wet belt may be a potential premature defect.

No information has been supplied to show that the wet belt was replaced at around November 2022, or during its next service in August 2023 (where it was completed by the supplying dealership). And I'm mindful as the wet belt has now been replaced after its failure, it will likely be too late to ascertain whether it was replaced in line with the manufacturer's guidelines.

In this instance, the wet belt failed in the car in June 2024. So, if the wet belt had been replaced in the car at around November 2022, the evidence would point towards the car not being durable when it was supplied to Mrs L, as I wouldn't have expected it to have failed so soon. Or, if the wet belt hadn't been replaced in November 2022, then the evidence points towards a fault with the car which was likely present or developing at the point of supply. It follows that in either circumstance, I'm satisfied the car was supplied to Mrs L of unsatisfactory quality.

### Remedies under the CRA

I've gone on to think carefully about the remedies available to Mrs L under the CRA. I've also thought carefully about the time that has elapsed, and the opportunity CA Auto has had to resolve any issues with the car.

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 CA Auto – 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.

I'm satisfied the car had a fault in June 2024. And it seems the repair to the car wasn't completed until February 2025. But then from emails I have seen, it seems the car had to go back to the dealership for further issues within the same month. So, I'm satisfied CA Auto has already had the opportunity to repair the car and I think it failed or the car had an underlying fault that was never put right.

CA Auto has suggested that they wish to replace the car's battery and diagnose the car again to see if there are still faults with the car. However, I am mindful that Mrs L has already been significantly inconvenienced, as she had been without the car for more than half of a year, until first repairs were completed. And on return, further issues appeared, and from emails I have seen, it appears they formed due to failed repairs. So, I don't think it would be fair and reasonable to allow CA Auto another opportunity to investigate matters and/or repair it.

In the circumstances I'm satisfied that Mrs L is allowed to reject the car.

### Other costs

Given that Mrs L didn't have use of the car from June 2024 onwards, I think she should be reimbursed for any monthly repayments she had made towards the agreement during this

time, less the period of time she was kept mobile with a courtesy car. Mrs L was given a courtesy car from 1 October 2024 until 7 February 2025. So, I don't think she should be reimbursed her monthly repayments during this time.

However, I do think CA Auto should reimburse Mrs L a pro rata of her monthly repayments from June 2024 up until 1 October 2024, and then again from February 2025 onwards, up until when the agreement ends and the car is collected.

Mrs L paid for an independent report to be completed on the car towards the end of October 2025. In the circumstances, I think it would be fair and reasonable for CA Auto to reimburse Mrs L the amount she paid for the report, given that the car was found to be of unsatisfactory quality. My understanding is that this cost £300 and CA Auto should pay this amount, if Mrs L can show them that she paid for it.

### Distress and inconvenience

I'm mindful of the impact this complaint has had on Mrs L and what she has told our service. Mrs L's car broke down, she was without it for a significant amount of time and in February 2025, she had to make several trips to the repairing garage to collect and then return the car.

In the circumstances, I think CA Auto should pay Mrs L £250 for the distress and inconvenience caused by this complaint.

### **My final decision**

For the reasons I've explained, I uphold this complaint and I instruct CA Auto Finance UK Ltd to put things right by doing the following:

- End the agreement ensuring Mrs L is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable).
- Collect the car (if this has not been done already) without charging for collection.
- Refund Mrs L's advance payment towards the agreement of £1,000. If any part of this advance payment was made up of funds through a dealer contribution, then CA Auto doesn't need to refund this amount. \*
- Reimburse Mrs L a pro rata of her monthly repayments made from 3 June 2024 to 1 October 2024, and then from February 2025 onwards, until the agreement ends and the car is collected. \*
- Reimburse Mrs L £300, the cost of the independent report completed on the car in October 2025. This should be paid to Mrs L on production of evidence to CA Auto to show that payment was made by her. \*
- Pay Mrs L £250 to reflect the distress and inconvenience caused.
- Remove any adverse information from Mrs L's credit file in relation to the agreement, if any.

\* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If CA Auto considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mrs L how much it's taken off. It should also give Mrs L a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If CA Auto has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 30 March 2026.

Ronesh Amin  
**Ombudsman**