

The complaint

Mr F complains about the quality of a car supplied on finance by CA AUTO FINANCE UK LTD ('CA').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

CA supplied Mr F with a car on a PCP agreement in February 2023.

Mr F says in early October 2025 the car broke down and he discovered the timing chain had failed due to a product defect. He says the dealer was willing to repair this at no cost, but parts would take five months to come in.

Mr F approached CA to complain and asked to reject the car but it refused. In summary, it considered the car was of satisfactory quality at the point of sale because the mileage Mr F had covered in it since the date of supply.

Mr F escalated his complaint to this service. He says it took 50 days for the repair to take place in the end – and although he had received 30 days of reimbursed rentals from CA he was still out of pocket.

Our investigator upheld the complaint and recommended CA reimburse Mr F for certain other costs.

CA did not accept the resolution and Mr F indicated that he wanted to claim more costs. The matter has now been passed to me for a final decision.

I issued a provisional finding which said:

What I've provisionally 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time.

The agreement in this case is a regulated consumer credit agreement. As such, this service can consider complaints relating to it. CA is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance 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”.

The Consumer Rights Act 2015 says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle’s history.

The Consumer Rights Act 2015 (‘CRA from now on’) says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

CA supplied Mr F with a second-hand car that was around 4 years old and had done around 28,000 miles at the point of supply. It is fair to say that in these circumstances a reasonable person would consider that the car had already suffered some wear and tear – and was likely to require more maintenance than you might see on a newer, less road worn model. However, it wasn’t a particularly old or high mileage car and was still priced at almost £20,000 so there would be a reasonably elevated expectation of quality particularly around durability.

Here I note evidence supplied from a main dealer and a third-party diagnostic confirms the timing chain failed on the car at the start of October 2025. I don’t appear to have exact confirmation of the mileage of the car at this point. But both parties appear to be in agreement it was about 54,000 miles (Mr F having covered around 25,600 since supply).

I acknowledge CA points to the mileage that Mr F covered in the car as a reason why it is not liable here. However, the key thing to keep in mind here is durability – which is a factor in respect of determining satisfactory quality in law. Here I note that although the car had covered a total of around 54,000 miles when it broke down:

- *General research online about the life expectancy of a timing chain broadly indicates that failure at this mileage is premature.*
- *Mr F has provided credible information showing that his engine type was subject to a manufacturer recall for premature wear on this component. While I appreciate that a recall does not always mean every car is impacted by the issue here I note the main dealer accepted the car would be covered by the manufacturer for this repair at no charge. This indicates to me it was likely accepted the issue was a manufacturing issue rather than reasonably expected wear and tear/misuse or lack of servicing from Mr F.*
- *There is no credible information suggesting the failure of the part is due to Mr F’s misuse or lack of servicing of the car. Or some other reason rather than premature component wear.*

So overall, I am willing to accept, on balance, that the car as supplied was not reasonably durable and therefore of unsatisfactory quality in the circumstances. And that Mr F was entitled to a remedy.

I understand Mr F requested to reject the car based on what he said was a five month wait for parts. Had this timeframe been the case he would have had a good case for rejection under the CRA. But as it took much less time than that (although not very quick still) I think it wouldn’t be fair to say that rejection is the correct remedy now.

I understand CA appears to have reimbursed Mr F for a monthly payment already. However, Mr F says the car took 50 days in total to repair. I don't appear to have confirmation of this from the repairing garage, however, I don't have a reason to suspect this is an incorrect amount of time. I note that CA doesn't appear to have disputed it previously when it was willing to reimburse Mr F for the extra 20 days. However, I can see CA made this offer conditional on things Mr F wasn't willing to agree to – which is why the matter was escalated. I think that CA should fairly now refund Mr F the additional 20 days.

I note Mr F has provided evidence to show he incurred a diagnostic charge and breakdown recovery fee in connection with the fault. So I think it's fair he gets those back too. However, it's worth noting I can only award losses suffered by Mr F when the invoices for these appear to be made out to a third party. Therefore, CA will only be directed to pay these if Mr F can show he paid for these costs or he confirms that he is going to be reimbursing the third party for these.

Mr F has also recently said he wants a reimbursement of tax and insurance for the car during the period it was off road waiting for repairs. During this time he had to use another car. If Mr F can provide evidence to CA showing what he paid for insurance on the financed car during a period of 50 days from the start of October 2025 it should reimburse him this amount – along with a pro-rated refund for road tax for the same period.

CA should also award out of pocket interest on all refunded payments in connection with this matter (including those it has already paid) calculated from the date the car broke down at the start of October 2025 (or the date of original payment if later) to the date of settlement/date amounts have previously been reimbursed.

I know one of Mr F's key points is that he ordered another car and was planning to sell this one but because it broke down he wasn't able to and this meant he has lost out. I think it's difficult to say that an additional 50 days with the car while it was awaiting repair has meant that Mr F lost a significant amount on a potential resale value of the car. But even if Mr F could show this I consider it a remote loss – and not something CA could have anticipated when dealing with the matter. So overall I don't think it is fair to say that CA should have to pay any claimed loss in respect of Mr F's decision to finance another car on the basis that he would sell this one.

Our investigator has awarded Mr F £400 compensation for 'financial detriment' including having to take on another car to be kept mobile. But Mr F had already ordered another car before the fault occurred so I don't think that is quite right. Furthermore, as I have awarded Mr F money for time without the car I would not also award him reimbursement for use of a second car – as the intention of my redress is not to give free motoring.

However, I do accept that for the time the car was awaiting a repair Mr F had been caused considerable distress and inconvenience in not having use of the car or a courtesy car – and having to pay for an alternative mode of transport while he was also responsible for the ongoing monthly payments through CA. I don't consider CA was very supportive in its response when Mr F raised the issue – and instead appeared to place responsibility for resolving matters on the manufacturer. This isn't a science – but after looking at our information online in respect of these types of awards I consider the additional £400 compensation awarded by the investigator to be broadly fair (albeit for different reasons as I have specified here).

This isn't something which Mr F appears to be focusing on anymore. But for completeness I note he also complained to CA about the excess mileage on the finance agreement when he complained about the quality of the car. He said he had wanted and expected the agreement to have an allowance of 10,000 miles a year and it was actually 6,000 miles. I have had a

brief look at this and the finance agreement Mr F signed is clear that it is 6,000 miles. So on the face of it there hasn't been a mis-sale here. I accept that there is always the possibility of a verbal misrepresentation but I have listened to a copy of a call with Mr F which appears to be with the dealer where he specifically requests a reduced allowance of 6,000 miles to reduce the monthly costs. So I cannot fairly agree there has been an error here in the sale of the finance which CA is responsible for here.

My provisional decision

I uphold this case and direct CA AUTO FINANCE UK LTD to:

- *Reimburse Mr F for an additional 20 days of rentals based on pro-rating the monthly cost under the finance agreement;*
- *refund Mr F £70 for the diagnostic and £156.02 for the recovery costs he incurred;*
- *on production of proof of payment for these costs pay Mr F a pro-rated refund for 50 days of insurance and tax costs;*
- *pay Mr F 8% yearly simple interest on all refunds it has made in connection with this matter from the 1 October 2025 (or the date of original payment if later) to the date of settlement / previous payment; and*
- *pay Mr F £400 compensation for distress and inconvenience.*

If CA considers it should deduct tax from the interest element of my award it should provide Mr F with a certificate of tax deduction so he may claim a refund if appropriate.

Both parties disagreed with my findings.

In summary, CA says that Mr F benefits from the car being insured – and taxing it is a legal requirement.

In summary, Mr F says £400 to reflect the level of distress and inconvenience is insufficient noting:

- Rejection was requested based on the understanding that he was facing a five-month delay for repairs and CA did not take pro-active steps to manage the situation.
- He wasn't notified of the recall prior to the car breaking down.
- Even though he had agreed to buy a new car it wasn't ready for 19 days which meant his family spent 19 days without a car or loan car.
- While waiting for a resolution monthly payments continued to be taken from him – including recently while awaiting my decision.

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.

Neither party has given me cause to change my provisional findings – which I still consider fair for the reasons already given (above). These findings now form my final decision alongside the points below:

I thank Mr F for his submission, however, most of what he has said is not new information. I have considered this when coming to my original findings and have factored it into the award of £400 distress and inconvenience. It is also worth noting (particularly in respect of Mr F's reference to time without a car) that the resolution here includes Mr F being reimbursed for time he didn't have the financed car.

£400 is a notable award for distress and inconvenience. And while I fully appreciate the impact Mr F has described on him and his family, I don't think it should be more. I also think some of the things Mr F has emphasised are not fairly the liability of CA here. Mr F's car was repaired and returned to him – so what he decided to do with it after getting it back (such as continuing with the finance or selling it) was ultimately up to him. I don't think it fair that CA's liability goes beyond the time Mr F was without it in respect of the repair. Furthermore, while it was no doubt aggravating not to have been notified about the recall in the first place and been incorrectly told it would take five months for repairs – ultimately the situation that transpired ended up with Mr F with being without the car for a lesser period – and I consider my decision (along with the actions taken by CA to date) fairly reimburses him for that.

I remind Mr F that my role is informal. He is free to decline my decision and consider other more formal routes (such as court) if he wishes.

CA has mentioned the tax and insurance refunds I proposed. I remind CA that my decision is not questioning requirements regarding cars being taxed or insured. The point is that while the car was out of use through no fault of Mr F – it fair he gets certain consequential losses from things he hasn't been able to fully benefit from. Particularly if he was funding similar expenses for another car at the time. And declaring a car SORN is not always practical (noting the car was awaiting repairs with an uncertain timeframe here).

Putting things right

As set out below.

My final decision

I uphold this case and direct CA AUTO FINANCE UK LTD to:

- Reimburse Mr F for an additional 20 days of rentals based on pro-rating the monthly cost under the finance agreement;
- refund Mr F £70 for the diagnostic and £156.02 for the recovery costs he incurred;
- on production of proof of payment for these costs pay Mr F a pro-rated refund for 50 days of insurance and tax costs;
- pay Mr F 8% yearly simple interest on all refunds it has made in connection with this matter from the 1 October 2025 (or the date of original payment if later) to the date of settlement / previous payment; and
- pay Mr F £400 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 April 2026.

Mark Lancod
Ombudsman