

## **The complaint**

Mr H complains that the vehicle he was provided with through a hire agreement with Stellantis Financial Services UK Limited trading as Free2Move Lease wasn't of satisfactory quality. He says the vehicle has broken down and he hasn't had use of it.

## **What happened**

Mr H entered into a hire agreement in January 2021. He paid an advance rental of £4,750.73 and was then required to make 46 monthly rental payments of around £396.

Mr H says that the vehicle has broken down and he has been paying for a vehicle he can't use. He says that this has affected his business.

Stellantis issued a final response in August 2023. It said that Mr H first made contact about the issues in February 2023. It said that there wasn't evidence that the fault that occurred on 25 January 2023 was present at the point of supply and said it understood the dealership was working on resolving the issue. It said the vehicle had been fit for purpose and this was shown by the mileage Mr H had been able to drive. In recognition of the disappointment Mr H had experienced, Stellantis offered to refund two monthly instalments (totalling £791.80). It said that it wasn't privy to the discussions between the repairing dealership and Mr H and that the dealership and manufacturer were separate entities to it.

Mr H referred his case to this service and our investigator upheld his complaint. He said that based on the job sheets and Mr H's testimony there appeared to be a fault with the vehicle. He noted when the issues arose and the nature of the fault and didn't think the vehicle was sufficiently durable. He thought Mr H should be allowed to reject the vehicle and have his hire agreement terminated and a partial refund of the advance rental he paid. He also recommended that Mr H be paid £100 compensation for the distress and inconvenience he has been caused.

As Stellantis didn't respond to our investigator's view the case has been passed to me an ombudsman to issue a decision. Since the view was issued, Mr H has reported the same fault re-occurring.

## **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.

Mr H was provided with a vehicle through a hire agreement. Under the regulations, Stellantis can be held liable if the vehicle provided wasn't of satisfactory quality. Satisfactory quality takes into account factors such as the age, mileage and cost of the vehicle. In this case, Mr H hired a new vehicle and so it is reasonable that he would expect it to be free from faults, including minor defects and that it would remain so for a reasonable amount of time.

Mr H has needed to have the vehicle repaired on more than one occasion and he is still reporting that the fault is re-occurring. Given the repairs that have been undertaken, the

evidence of this and Mr H's testimony I do not find that the vehicle he was provided with under the hire agreement has been free from faults. The question is whether the faults the vehicle experienced meant that it wasn't of satisfactory quality at the point of supply.

Stellantis has said that the issue that occurred in January 2023 happened more than six months after the hire agreement's inception and there wasn't evidence that it was due to a fault present at the point of supply. I have considered the timeline of events in this case and can see that Mr H said the vehicle first broke down in April 2021 due to a faulty charger. A repair was undertaken but given when the issue occurred, I find this raises concerns that the issue causing the break down was present or developing at the point of supply. A warning light came on in October 2022, but diagnostics didn't reveal any faults and Mr H was advised to monitor this.

The vehicle then broke down again in January 2023 and the battery was replaced but following this the vehicle broke down again. This then happened again, and I note that Mr H has said the issue has re-occurred since our investigator issued their view. Based on the evidence it appears that there is an ongoing fault with the vehicle that hasn't been resolved by the repairs. It is possible that the fault is linked to the issue first identified in April 2021 which could suggest that the vehicle had faults present or developing at supply. Additional to this, given the number of times the vehicle has needed repair and the nature of the issue that has arisen, I do not find that the vehicle can be considered sufficiently durable. Because of this I do not find that the vehicle provided to Mr H was of satisfactory quality and I uphold this complaint.

Mr H has allowed the dealership several opportunities to repair the vehicle and the issue is still not resolved, therefore I find the fair outcome is for Mr H to be allowed to reject the vehicle and have his hire agreement terminated and a partial refund of his advance rental.

I have also considered the loss of use Mr H has experienced. Mr H has been kept mobile for certain periods while the vehicle has been in for repairs and I can see that he has been able to drive a reasonable mileage, but I think it fair that he is refunded for the periods when he was without the use of a vehicle. He has noted these as being:

- 25 January 2023 to 7 February 2023
- 16 March 2023 to 20 March 2023
- 26 April 2023 to 27 April 2023

Mr H has been caused distress and inconvenience by the issues with the vehicle and I agree without investigator's recommendation that he be paid £100 because of this.

### **Putting things right**

- end the agreement with nothing further to pay;
- collect the vehicle at no further cost to Mr H;
- refund a proportion of the advanced hire charge of £4750.73 on a pro rata basis, so Mr H isn't paying for any of the period after the agreement is ended.
- pay a refund of rentals to cover any loss of use of the vehicle (when alternative transport wasn't provided) from:
  - 25 January 2023 to 7 February 2023

- 16 March 2023 to 20 March 2023
- 26 April 2023 to 27 April 2023
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement\*;
- pay £100 for the distress and inconvenience that's been caused due to the faulty goods;
- deduct £791.80 from the final settlement amount if the compensation offered in August 2023 has already been paid to Mr H.

\*HM Revenue & Customs requires Stellantis to take off tax from this interest. Stellantis must give Mr H a certificate showing how much tax it's taken off if he asks for one.

### **My final decision**

My final decision is that I uphold this complaint. Stellantis Financial Services UK Limited trading as Free2Move Lease should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 April 2024.

Jane Archer  
**Ombudsman**