

## **The complaint**

Miss P complains about a car acquired through a Conditional Sale agreement with Stellantis Financial Services UK Limited ('Stellantis'). Miss P has had problems with the car and says these defects would've been present when the car was supplied.

She says she raised issues with the dealership early on who said the car would wear in. But when she took it to a separate service centre they found multiple faults. Since then the dealership hasn't helped resolve these matters and she complained to Stellantis. She would like to now return the car – or to receive a price reduction.

## **What happened**

Miss P acquired the vehicle in October 2023. When it was sold, it was six years and one month old, had covered 55,231 and cost £25,000.

She says when she was driving home, she noticed a squeaking noise under the car and back tyres. And when the steering wheel was at full lock there were 'clogging' sounds and vibrating. She also thought the brakes felt weak and the car didn't drive smoothly.

Because she hadn't driven much more than 100 miles since acquiring the car, she says she contacted the dealership. She says she was encouraged to get an inspection carried out, but the dealership wasn't available to help her and later became unresponsive.

She said she was concerned with the number of issues she'd encountered, so she booked the car into a health check with a third-party service centre.

The inspection, carried out on 14 December 2023, was done when the mileage on the car was 56,016 miles. This was less than two months since the car was supplied and it had been driven less than 800 miles.

This showed the fuel filter required replacement, costing £221.58; the front brake pads and discs needed replacing, costing £268.61 and £629.61 respectively; the battery had failed, costing £229.40 to replace; a front tyre needed replacing, costing £157.99; and the front suspension wishbones needed replacing, costing £935.15. The service Miss P paid for at this time cost her £334.99.

This was sent to the broker, but I haven't seen any evidence of any action being taken as a result.

She complained to Stellantis in December 2023 to say that she'd had the car for less than two months and the dealership, while initially recommending getting a report, became unresponsive and wouldn't help.

Miss P informed our service that the tyres were later replaced by the dealership for it to pass its MOT in March 2024, at which point the car had covered 57,184 miles. But none of the other issues that had been found had been resolved. Miss P is using the car and it is drivable.

Stellantis said it wasn't able to provide a full response to Miss P's complaint and she referred it to our service. It then told our service that it was in contact with the dealership, but it hasn't provided any further information since April 2024.

The investigator who initially considered the complaint felt the majority of the issues found in the in-depth service were normal wear and tear items. However the suspension issue wasn't the sort of wear item that would be expected to be faulty so soon after acquiring the car and so that made the car not of satisfactory quality.

They recommended a 5% refund of payments made under the agreement to reflect the impacted use of the car. They concluded that the dealership's failure to fix the suspension issue when it replaced the tyres, meant Miss P was now able to reject the car. They also recommended Stellantis pay her £200 to reflect the impact of all of this.

Miss P agreed with the investigator's findings. She said that her payment in May 2024 was refunded but otherwise she hadn't heard anything else from Stellantis.

Our service also hasn't heard any further from Stellantis. As Stellantis hasn't responded, the case has been passed to me to issue a final decision.

### **What I've decided – and why**

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I'm required to take into account the relevant laws and regulations; regulators rules, guidance, and standards; codes of practice and, when appropriate, what I consider to have been good industry practice at the relevant time. I may not comment on every point that's been raised, but I have read and considered everything that's been said. Instead I will focus on what I think are the key points to reach a fair and reasonable decision. This reflects the nature of our service which was set up to be an informal alternative to the courts.

Where information or evidence is missing or contradictory, I'll make my decision based on the balance of probabilities – that means what I consider to have more likely than not happened – given the available information.

I will lay out what I consider to be the key facts and the considerations I've taken into account when reaching my decision.

Miss P acquired the car through a Conditional Sale agreement with Stellantis. Under this type of arrangement, Stellantis became the supplier of the car and is responsible if the goods aren't of satisfactory quality when provided. The key legislation for me to consider in complaints of this nature is the Consumer Rights Act 2015 ('CRA'). This outlines, among other things, that goods should be of satisfactory quality at the time they're supplied.

Satisfactory quality is described as the standard that a reasonable person would expect taking into account, among other things, the description, age and price of the goods. The quality of the goods includes their state and condition - and where appropriate their fitness for purpose, appearance, freedom from minor defects, safety and durability should be taken into account.

When the car was acquired it had a reasonable amount of age and it had commensurate amount of mileage. While the car wasn't new, and would not be expected to be in the same condition as a brand new – or less used – car. However the car was still costly and a reasonable person would expect a certain level of quality as a result.

The issues Miss P found after the service centre carried out an inspection required repairs which would have cost Miss P a significant sum. These issues arose very soon after she acquired the car.

Many of the items are those that do experience normal wear and tear and require routine maintenance. But I still don't think a reasonable person would expect to incur such significant repair costs so soon after being supplied with a car.

The pre-sale service we've been provided with shows that before the car was sold it had a sealing ring, oil filter and air filter replaced – along with the oil being drained and replaced – on 24 October 2023.

However, the health check carried out on 14 December 2023, shows significant issues which ought to have been evident during any meaningful pre-sale check. It's possible that the car was drivable and technically roadworthy, however I think it's likely the condition of the majority of these parts were very close to failing at the point of supply and not in a reasonable condition given the price paid for the car.

The brake pads were within the legal limits and needed replacing as a result of them being worn as a result of normal wear and tear. I agree with the investigator on the brake pads being a wear and tear issue and not something that made the car of unsatisfactory quality.

One of the tyres at point of inspection had a tread depth of 1mm, this is 0.6mm below the legal limit. Miss P had only driven around 800 miles at this point. It's possible the tread could've worn this amount since the car was supplied, however it's arguable that the car was sold with a tyre below the legal tread depth.

Without any evidence to the contrary, I think it's more likely than not that the car was sold with a tyre below the legal limit and therefore was not of satisfactory quality.

Like the investigator, I find the suspension issue was a clear failure that made the car not of satisfactory quality. This is the type of part that you would expect to last a relatively significant amount of time – and not to fail after such a short amount of time and use.

Because of this I agree with the investigator that the car wasn't of satisfactory quality at the point of supply.

### **Putting things right**

Had the issues outlined above (excluding wear and tear items) been resolved in good time and without significant inconvenience to Miss P sooner, then that might have been fair at that time. However significant issues still remain and these weren't resolved when the dealership had the opportunity when replacing the tyres. Considering the amount of time that's now passed, and the lack of engagement with the complaint, further attempts at repairs would not be productive – or fair to Miss P.

Given the dealership's and Stellantis's disappointing lack of engagement with the complaint, I don't think it was unreasonable for Miss P to get her own inspection and service carried

out. She says this level of service was recommended by the inspector because of the number of faults that had been found.

The original investigator thought this service covered a number of wear and tear items and wasn't authorised by the dealership or Stellantis and so the cost of it shouldn't be refunded.

An investigator contacted Stellantis to ask for its thoughts before a decision was issued on whether this cost should be refunded or not. However it did not respond.

Having given the opportunity for Stellantis to consider this, and having not received a reply, I will come to a decision on this point based on the information I have.

Throughout this complaint I can't see any evidence of the dealership, the broker or Stellantis properly engaging with Miss P's complaint – or our service. Based on the evidence I have, I'm not persuaded she would have been able to obtain authorisation for this inspection given the lack of response and engagement in relation to her complaint. Miss P would likely have faced the cost of inspection in any event.

I find it plausible that the inspector recommended a more in-depth check given the significant issues already found and I don't think this was unreasonable in the circumstances. Taking back the car after it has been serviced is of benefit to Stellantis, rather than it taking back an unserviced car. So I don't think it's unfair for Miss P to be reimbursed this cost.

Miss P has explained the impact these issues had on her ability to use and enjoy the car as she intended. I think the 5% refund of payments suggested by the investigator is not unreasonable given the use Miss P has had.

Miss P has described the pressures of her work and the requirement to have a car she can rely on. I'm satisfied pursuing these matters would have had a significant impact on her – and having a car that she couldn't rely on would have had an impact on her. The £200 compensation suggested by the investigator is fair in the circumstances.

### **My final decision**

My final decision is that I uphold Miss P's complaint against Stellantis Financial Services UK Limited.

Stellantis should now:

- End agreement with nothing further to pay
- Collect car at no cost to Miss P
- Refund her deposit of £2,000.00
- Refund 5% of her monthly payments
- Refund the inspection and service cost of £334.99
- Pay 8% simple interest on the above refunds, calculated from the date of each payment until the date of settlement
- Pay her £200.00 for the distress and inconvenience this matter has caused her
- Remove any adverse information that may have been reported on Miss P's credit file in relation to this agreement

If Stellantis does not settle the complaint within 28 days of Miss P accepting this final decision, interest at the same rate set out above should be added to the £200 payment.

\* If Stellantis considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss P how much it's taken off. It should also give her 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 Miss P to accept or reject my decision before 10 December 2024.

Scott Walker  
**Ombudsman**