

## **The complaint**

Miss C complains about the quality of a car she acquired under a hire agreement with Stellantis Financial Services UK Limited previously known as PSA Finance UK Limited trading as Free2Move Lease (Stellantis).

When I refer to what Miss C and Stellantis have said and/or done, it should also be taken to include things said and/or done on their behalf.

## **What happened**

In October 2021 Miss C entered into a hire agreement with Stellantis to acquire a brand-new car. There were around 48 monthly payments. The monthly payments on the hire agreement were around £389.

Miss C said the car she acquired is not fit for purpose. She said she signed a four-year hire agreement for the car on the representation that it had a range of 214 miles on a full charge. However, over time, Miss C said she experienced a significant reduction in the car's performance and battery capacity. She said the car currently only charges to 170 miles, which she feels is a substantial decrease from the original specification. Moreover, despite showing a range of 170 miles on a full charge, Miss C said the car only manages to drive half of this distance, further highlighting its unreliability and lack of fitness for the intended purpose. Miss C feels the car does not meet the standards reasonably expected for such a car, nor does it fulfil the purpose for which it was purchased. As such, Miss C feels she should be released from the hire agreement without any penalties or further financial obligations. To this end, she raised a complaint with Stellantis in February 2024.

In July 2024, Stellantis wrote to Miss C and said there is no proof the car currently has, or was provided with, a fault, so they felt that there are no grounds for Miss C to be able to reject the car under the Consumer Rights Act 2015 (CRA).

Unhappy with the above Miss C referred her complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that the complaint should not be upheld. The investigator thought that the car was not misrepresented, and the investigator did not think the car had a fault that was present or developing at the point of sale.

Miss C disagreed with the investigator. So, the complaint has been 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law and, where appropriate, what would be considered good industry practice at the relevant time.

I am very aware I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focused on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of our service as a free alternative to the courts.

Miss C acquired the car under a hire agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. Stellantis is the supplier of the goods under this type of agreement and can be liable if the goods provided were not of satisfactory quality or if the supplier misrepresented the car or the finance at the point of sale.

Miss C said that when she acquired the car, she was not informed about the difference between the driving range displayed on the dashboard and the actual range she could expect. She feels this lack of information led her to believe there was a fault with the car when she first noticed the discrepancy. She said that when she raised this issue with the supplying dealership, she was advised the difference was due to the driving style, use of air conditioning, radio, or mobile phone charging, but she said this explanation did not make her aware of any inherent issues with the car. Miss C is unhappy because she feels that when she signed the agreement, she was not informed of the driving range deteriorating each year. So, in summary, she feels the car is not fit for purpose.

I've taken all of the above into consideration.

First, I should explain that car economy/battery range figures are obtained by following prescribed test procedures and are provided by manufacturers as a comparison tool only. They are not necessarily setting out what the car will regularly achieve, and do not constitute a guarantee. Also, I have not seen enough evidence to be able to say that most likely Miss C was guaranteed that she would always have a range of 214 miles. As such, I'm not satisfied that by not reaching the advertised range, the car was misrepresented to her.

I understand that Miss C expected to be achieving a mileage range greater than what she is currently achieving. But it is important to note that the full battery charge can fluctuate and the driving range is impacted by lots of different factors, such as, for example, outside temperature or weather, driving style, use of certain car options/features, and its load (including how many people and/or items are in the car). So, the fact that on certain occasions the car may have reached lower ranges on a full charge is not conclusive evidence that the car would have consistently achieved far below the advertised maximum range, at least shortly after it was acquired. And with the passage of time batteries of all types degrade. The rate of degradation can be affected by various factors such as number of miles the car had travelled, its age, the way in which it was charged and driven. But based on the issues Miss C has raised, I have also considered whether there might be a fault with the car and whether this could be causing the problems Miss C complains about.

The CRA covers agreements such as the one Miss C entered into. Under the agreement there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered to be of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case, those relevant

circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA 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.

In Miss C's case the car was brand-new. So, I think a reasonable person would expect it to be of a higher quality than a cheaper and/or previously used car. I think it would also be reasonable to expect the car to last a considerable period of time before significant problems occur, and it would be reasonable to expect it to be free from even minor defects shortly after it was acquired.

Miss C was of the belief that she should have been entitled to reject the car.

The CRA sets out that Miss C has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and she would need to ask for the rejection within that time. Miss C would not be able to retrospectively exercise her short term right of rejection at a later date.

The CRA does say that Miss C would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but she would not have the right to reject the car until she has exercised her right to a repair first – this is called the final right to reject. And this would be available to her if that repair had not been successful.

First, I considered if there was a fault with the car. I have considered that Miss C thinks that there was a fault with the battery of the car, but based on all of the above, and the evidence available in this case, I cannot say that most likely there was a fault present.

Miss C arranged for an inspection of the car. This inspection found the car to be fault free. It said that an investigation was done on the battery range issues, and the inspection concluded that based on the technical bulletin the range was within the tolerance for the age of the car. And Miss C has not provided any other evidence that would be enough for me to say that, most likely, the car was faulty.

I want to assure Miss C that I have carefully considered all her testimony and information that she has provided, but unfortunately what I've been given simply is not enough for me to say that, most likely, the car was faulty, especially when balanced against the inspection. The inspection found no faults with the car. And to be able to hold Stellantis liable, there would need to be some compelling evidence to show that, most likely, a fault with the battery or the charging system was present or developing at the point of supply. Also, I've considered that there are many things that can affect the battery range, and as I've not seen enough evidence to show that, most likely, the battery is not functioning correctly, I do not think it would be fair or reasonable for me to say that Miss C should be able to exercise her right to reject the car. So, while I sympathise with the situation Miss C finds herself in, I do not think Stellantis needs to take any further action in relation to this complaint.

I know that Miss C has questioned the date of the manufacturer's Technical Service Bulletin (TSB) that was used as part of the car inspection mentioned above. Specifically, Miss C feels the TSB relied upon should have been one from around the time she acquired the car. But the TSB that the inspection relied upon states that it cancels and replaces the previous version, so I do not think it was unreasonable for the inspection garage to rely on the TSB version in question.

While I appreciate Miss C's strength of feeling regarding her complaint, I do not think I've seen enough to say that there has been a breach of contract or misrepresentation. So, it is

not fair or reasonable for me to require Stellantis to take any further action regarding Miss C's complaint.

**My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 30 April 2025.

Mike Kozbial  
**Ombudsman**