

The complaint

Mrs W has complained that she is unhappy with the quality of a car she acquired in April 2023, using a hire purchase agreement with Stellantis Financial Services UK Limited (“Stellantis”).

What happened

Mrs W acquired a Land Rover in April 2023, using a hire purchase agreement with Stellantis. The car cost £26,589, of which Mrs W borrowed £22,589 over a 48-month term. The monthly repayment was £376.57, with a final payment of £13,928 if Mrs W wanted to keep the car.

The car was around three and a half years old, and the mileage was 27,570.

Mrs W said the car first broke down in September 2023 (and one of the job sheets she provided shows a date of 19 September to confirm this). The selling dealership agreed to repair the car, and the NOx sensors were replaced. At the same time, Mrs W said she complained to Stellantis (although that complaint was not brought to this service).

The car was then transferred to another garage and another fault was discovered – this time with the PCM unit. Mrs W said she told Stellantis that she wanted to reject the car. But Stellantis told her that, as the car hadn’t been handed back to her, it was still within its single opportunity to repair the car.

Mrs W said the car was returned to her in mid-December 2023. In the meantime, Mrs W was told by Stellantis that her complaint had been closed, although she hadn’t been informed when this had happened. However, as the car was then returned to her, she accepted matters.

However, a few months later – on 4 April 2024, the engine management warning light came on again, and the dealership booked the car in for a diagnostic test a few days later. Mrs W requested a courtesy car to cover the period of the checks, but was told that there wasn’t one available. As she needed to stay mobile, she bought another car.

Mrs W was told that the part that had failed was the same one that had failed in September 2023, and on 25 April 2024 the car was transferred back to the second garage for investigation as the part that had been fitted was brand-new. The second garage later told Mrs W that it was a different fault, and that the Adblue tank needed to be replaced. However, I can see from the job sheet that Mrs W sent in that the NOx sensors were replaced at the same time, having only been replaced a few months earlier. And the NOx sensors and Adblue tank are both part of the exhaust system.

In the meantime, on 8 April 2024, Mrs W complained to Stellantis and said she wanted to reject the car. Stellantis has never issued a final response letter to Mrs W. In June 2024 it issued a letter saying that Mrs W could bring her complaint to this service as it had not, at that point, been able to resolve the complaint. Mrs W did so.

The necessary repairs were carried out, but Mrs W had been clear that she wanted to reject the car and did not accept the repairs. After having no further updates from Stellantis about her complaint, she decided to terminate the agreement early.

When Mrs W brought her complaint to this service, our investigator requested the necessary information from Stellantis, but it said it was having technical difficulties in providing it. Our investigator then contacted Stellantis by phone and was able to confirm that it had a record of Mrs W's request to reject the car. It also confirmed that Mrs W's complaint was accidentally closed, and that it had asked for comments from the dealership but had not followed up when it did not receive a response.

Our investigator looked into Mrs W's complaint, and based on the evidence Mrs W had provided, thought it should be upheld. Stellantis didn't respond to our investigator's view, despite reminders by email and phone, and therefore the complaint has come to me for review.

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.

I've decided to uphold Mrs W's complaint. I'll explain why.

Because Stellantis supplied the car under a hire purchase agreement, it's responsible for a complaint about the quality, and there's an implied term that the car was of satisfactory quality. Cars are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances such as (amongst other things) the age and mileage of the car and the price paid. When considering satisfactory quality, I also need to look at whether the car is durable – that is, the components within the car must be durable and last a reasonable amount of time.

In this case, the car was around three and a half years old, and the mileage was 27,570 when Mrs W acquired it. And the price was lower than that of a new car. So it's reasonable to expect that parts of the car would have suffered wear and tear, and that a car of this age would likely need repair and maintenance sooner than a newer car.

I've taken account of the relevant law, in particular the Consumer Rights Act 2015, ("CRA"). There are certain times, set out in the CRA, when a consumer is entitled to reject goods, in this case the car, if they don't conform to contract – a short term right to reject within 30 days of taking delivery, or a final right to reject if a repair or replacement hasn't resulted in the car subsequently conforming – that is, it then being of satisfactory quality.

Mrs W sent in a detailed timeline of events, and as I noted above, she was able to provide the job sheets for the repairs (which support the sequence of events she has described). I also noted that no information has been provided by Stellantis. However, I'm satisfied that it has had sufficient opportunity to provide its evidence, and also that I have enough evidence from Mrs W to reach a fair conclusion.

The job sheets clearly show that there were faults with the car, and the first fault became evident around five months after Mrs W acquired the car. The key issue is therefore whether the faults were present or developing at the point of supply. I think they were.

I say this because the parts that were replaced at the first repair – the NOx sensors – would generally be expected to have a lifespan of around 50,000 miles, but they required replacement at a much earlier point of 30,353 miles. I think it's fair that the dealership

accepted responsibility for the repairs and carried them out at no cost to Mrs W. But those same parts failed again after just four months, and after Mrs W had only travelled just over 2,000 miles since the earlier repair. The failure of the parts at an earlier stage than expected, and the second failure after so short a time, leads me to conclude that there were faults present or developing at the point of supply, and that the car wasn't of satisfactory quality at that point. And from the evidence I have, I also can't fairly say that the car conformed to contract following the first repair.

I've not seen anything to make me think that Mrs W has caused or contributed to the faults occurring. So my conclusion is that that the car wasn't of satisfactory quality at the point of supply, nor did it conform to contract after the repair. So I think it fair for Mrs W to reject it. And therefore I've decided to uphold this complaint.

As Mrs W hadn't heard from Stellantis about how it was going to resolve her complaint (and it had not responded to her request to reject the car), after the car had been repaired, she decided to terminate the agreement. I noted above that she had bought another car and paying for both was prohibitive.

I think Stellantis should have accepted Mrs W's request to reject the car and end the agreement. So I think it would be fair for Stellantis to undo the early termination of the agreement and reimburse Mrs W the costs she had to pay to end the agreement early, so as to put her in the position she would have been in had she been able to reject the car and end the agreement when she complained to Stellantis in April 2024.

Mrs W hasn't used the car since 8 April 2024 because of the problems with it. I think she acted reasonably in stopping use at this time, so I think it's fair for Stellantis to refund the monthly payments Mrs W made from 8 April 2024 to the date of settlement of the agreement. Mrs W had use of the car from December 2023 until April 2024, so I don't think it would be fair to require Stellantis to refund earlier monthly payments.

I also think it would be fair to require Stellantis to pay Mrs W an amount of £300 to reflect the distress and inconvenience this has caused her. She has described the impact on both her and her disabled child, and I can see that this has caused considerable stress.

Putting things right

Stellantis should:

- end the agreement with nothing further to pay;
- collect the car (if this has not been done already) at no further cost to Mrs W;
- refund the full amount Mrs W paid to settle the agreement early;
- refund Mrs W's deposit payment of £4,000;
- refund the monthly payments Mrs W made for the period from 8 April 2024 to the date of settlement;
- pay 8% simple yearly interest on all refunded amounts from the date Mrs W paid them until the date of settlement;
- pay a further amount of £300 in recognition of the distress or inconvenience that has been caused to Mrs W;
- remove any adverse information from Mrs W's credit file in relation to the agreement.

*If Stellantis considers that it is required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mrs W how much it's taken off. It should also give Mrs W a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, I have decided to uphold Mrs W's complaint and to require Stellantis Financial Services UK Limited to compensate her as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 20 December 2024.

Jan Ferrari
Ombudsman