

The complaint

Miss B complains that a car that was supplied to her under a hire purchase agreement with Stellantis Financial Services UK Limited wasn't of satisfactory quality.

What happened

Miss B says that she entered into a hire purchase agreement with Stellantis Financial Services for a used car to be supplied to her in November 2023. The car was first registered in November 2014 and it passed an MOT test in September 2023 when its mileage was recorded as 93,741 miles.

Miss B says that: the car's catalytic convertor failed in November 2023 but the car was repaired by the dealer under a warranty; the car's clutch failed in January 2024 and was replaced by the dealer but Miss B paid £389 for a new fly wheel; and the car broke down on the motorway in April 2024 and was recovered to a garage and she was told that it looked like there was an issue with the head gasket.

Miss B complained to Stellantis Financial Services and said that she wanted to reject the car but it didn't provide a substantive response to her complaint so she complained to this service. Her complaint was looked at by of this service's investigators who, having considered everything, didn't think that Stellantis Financial Services had acted fairly. She said that it seemed likely there had been faults with the car and she thought that it was most likely that the car wasn't of satisfactory quality at the point of supply.

The investigator recommended that Stellantis Financial Services should: end the agreement and collect the car; refund any deposit or part exchange contribution made by Miss B and all rentals for the period for two weeks in December 2023 and all payments made from 8 April 2024, with interest; pay Miss B £250 for any distress or inconvenience that's been caused; and remove any adverse information from Miss B's credit file in relation to the agreement.

Miss B thanked the investigator for her recommendation and didn't raise any issues with it but Stellantis Financial Services hasn't responded to the investigator's recommendation so I've been asked to issue a decision on this complaint.

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.

Stellantis Financial Services, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Miss B. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Miss B was about nine years old, had been driven for more than 93,741 miles and I understand that the price of the car was £4,995. Satisfactory quality also covers durability which means that the

components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

Stellantis Financial Services didn't respond to this service's request for information about Miss B's complaint and it hasn't responded to the investigator's recommendation. Miss B has provided evidence to show that the car's catalytic convertor failed in November 2023, its clutch failed in January 2024, the car broke down in April 2024 and that the dealer then advised her to reject the car. I understand that the issues with the catalytic convertor and the clutch were dealt with by the dealer under a warranty and that the dealer collected the car from the garage to which it had been recovered in May 2024. I can see that the car passed an MOT test in January 2025 when its mileage was recorded as 97,799 miles but Miss B says that the car hasn't been returned to her.

There have clearly been issues with the car and Stellantis Financial Services hasn't provided any evidence to show that the car was of satisfactory quality when it was supplied to Miss B. I consider it to be more likely than not the issues with the car caused it not to have been of satisfactory quality when it was supplied to Miss B and that it would be fair and reasonable for Stellantis Financial Services to allow Miss B to reject the car.

Putting things right

I find that it would be fair and reasonable in these circumstances for Stellantis Financial Services to end the hire purchase agreement and arrange for the car to be collected – both at no cost to Miss B. I find that it should also ensure that any adverse information about the hire purchase agreement that it's reported to the credit reference agencies is removed from Miss B's credit file.

Miss B was able to use the car until it broke down in April 2024 but she wasn't able to use it for two weeks in December 2023 when the catalytic convertor was being replaced. I find that it would be fair and reasonable for Stellantis Financial Services to refund to Miss B any monthly payments that she's made under the hire purchase for the period since the car broke down and for the two weeks period in December 2023, with interest. Miss B says that she didn't pay a deposit for the car.

These events have clearly caused distress and inconvenience for Miss B. The investigator recommended that Stellantis Financial Services should pay Miss B £250 for any distress or inconvenience that's been caused. I agree with the investigator that it would be fair and reasonable for Stellantis Financial Services to pay Miss B £250 to compensate her for that distress and inconvenience.

My final decision

My decision is that I uphold Miss B's complaint and I order Stellantis Financial Services UK Limited to:

1. End the hire purchase agreement and arrange for the car to be collected, both at no cost to Miss B.
2. Refund to Miss B the monthly payments that she's made under the hire purchase agreement for the two weeks in December 2023 when she was unable to use the car and for the period since 8 April 2024.
3. Pay interest on those amounts at an annual rate of 8% simple from the date of each payment to the date of settlement.

4. Ensure that any adverse information about the hire purchase agreement that it's reported to the credit reference agencies is removed from Miss B's credit file.
5. Pay £250 to Miss B to compensate her for the distress and inconvenience that she's been caused.

HM Revenue & Customs requires Stellantis Financial Services to deduct tax from the interest payment referred to at 4 above. Stellantis Financial Services must give Miss B a certificate showing how much tax it's deducted if she asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 26 May 2025.

Jarrold Hastings

Ombudsman