

## **The complaint**

Miss M is unhappy that a car supplied to her under a hire purchase agreement with Stellantis Financial Services UK Ltd (Stellantis) was of an unsatisfactory quality.

When I refer to what Miss M has said and what Stellantis have said, it should also be taken to include things said on their behalf.

## **What happened**

In January 2024 Miss M was supplied with a new car under a hire purchase agreement with Stellantis. She paid a £4,000 deposit with 47 monthly payments of £299.47 and a final payment of £11,319.

Miss M states that she noticed issues with the car, namely a problem with the headlights, just over a month after receiving the car so she contacted the supplying dealer, who I'll call V. The car was returned to V around the 26 February 2024 to have the faults looked into. A vehicle health report dated 27 February 2024 shows 3 faults, two relating to the lighting and one to the master clutch cylinder. A warranty invoice created 26 February 2024 shows work being undertaken to address these faults. The car was returned to Miss M around the 5 March 2024.

As Miss M was still experiencing faults she returned her car on 11 March 2024 to V for further repair work to be carried out. There are no records supplied of what work was carried out at this time and the car was returned to Miss M on 13 April 2024. Since this time Miss M states that she has still experienced problems with the car.

On or around 18 March 2024 Miss M contacted Stellantis to initiate their complaints process. Despite Miss M stating that she contacted Stellantis on several occasions they emailed her on the 12 May 2024 to let her know that they would not be able to deal with her complaint within the 8 week timescale required by the FCA's complaints handling rules, so she had the right to raise the matter with us.

As Stellantis were unable to deal with Miss M's complaint in the timescales set out by our rules and she was still experiencing issues with her car she complained to us on 17 May 2024.

As part of their considerations our investigator contacted Stellantis on 13 June 2024 requesting their case file to help them decide what is fair and reasonable in relation to Miss M's complaint. Ultimately, Stellantis explained that it was unable to provide any evidence and asked this service to provide its assessment of the complaint.

The investigator felt that as the car supplied was new that there was a reasonable expectation that it could be used free from defects for a reasonable period of time. They concluded on the evidence supplied by Miss M that there was a fault with the car. The evidence supplied shows that the faults were present in February 2024 and had reoccurred after repairs had been undertaken. They further concluded that, in the absence of evidence

to the contrary, the car was not of satisfactory quality. In upholding the complaint, they decided that Stellantis needed to do the following to put things right:

- End the agreement with no further rental payments to be made
- Collect the car at no further cost to Miss M
- Refund Miss M's deposit contribution of £4,000
- Pay a pro-rata refund equal to the amount of time Miss M was without her car and a courtesy car was not available
- Pay 8% simple yearly interest from the date of payment until the amount is settled
- Pay a further amount of £200 in recognition of the trouble and upset caused by the faulty car
- Remove any adverse information from Miss M's credit file in relation to the agreement.

This decision was sent to Stellantis on 4 October, and they were given a deadline of 18 October to respond and if they did not accept the decision to provide further information. No response was received.

Because Stellantis did not respond this matter has been passed to me to make a final decision

### **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.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Miss M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory". The CRA says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of supply and the vehicle's history.

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. Where goods are new, as in this case, the consumer can have a higher expectation of the quality of the goods and that they could be used for a reasonable amount of time fault free.

So, if I thought the car was faulty when Miss M took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Stellantis to put this right. This is in the context of Miss M being supplied with a new car.

I have to look at the evidence supplied to me and make any decision based on the balance of probabilities. Given that Stellantis have not provided any evidence to counter what Miss M has stated, and given there is evidence to support some of Miss M's testimony, I have taken

her other statements relating to the problems she's experienced with the car since it was returned to her by V as factual on the balance of probabilities.

Miss M was supplied with a new car towards the end of January 2024 and just over a month later she had to contact the supplying garage as there were a number of faults with the car. The car was given to the garage on or around 26 February 2024. I have seen a report dated this date and a warranty invoice from the supplying garage that shows that there were three faults present. Two of these related to the lights and one to the master clutch cylinder. This report showed an odometer reading of 333 miles.

On or around 5 March 2024 the car was returned to Miss M. Due to further faults the car was returned to the garage on 11 March 2024. The car was returned to Miss M on 13 April 2024. Since this date she has been experiencing faults with the car. Miss M has raised her complaint with the supplying garage, Stellantis and the manufacturer directly. She has not received a substantive response to her complaint from any of them.

As stated earlier I need to make my decision on the evidence as presented to me and on the balance of probabilities. It is clear that there was a fault with the car, as can be evidenced by the report and warranty invoice when the car was first returned just over a month after supply. Given the car was brand new, and in the absence of any evidence to the contrary I think that this fault made the car of unsatisfactory quality. The evidence suggests the car was repaired before it was returned to Miss M but she's since experienced similar problems so it appears the repairs have not resolved the fault. I am persuaded on the balance of probabilities in this case that the car is not of satisfactory quality.

Having decided that the car was not of satisfactory quality at the time of supply I need to decide what is right and fair to ask Stellantis to do to make things right. As the car is new, with the faults developing so close to supply, Miss M does have the right to reject the car. Especially as the garage has attempted to repair the car and the faults are still present. This means that the agreement can be ended without Miss M having to pay anymore rental payments. Stellantis should also return Miss M's deposit contribution of £4,000.

It is also clear that Miss M's enjoyment of the car has been impacted by the fault. It is right and fair that Miss M should pay for the usage she has had of the car, and any courtesy car supplied when her car was in the garage. To put Miss M in the position where she has been fairly compensated for having no car at times, Stellantis should refund her a pro-rata amount that equates to the number of days she has not had access to her car or a courtesy car. In assessing what the exact amount should be I have clarified with the consumer when she did not have access to the car. The amount I am suggesting as part of this decision is based upon Miss M being provided with an unsuitable courtesy car from 27 February 2024 for seven days and a further month from 11 March 2024 when the garage had her car. The amount I therefore intend to award for loss of use is equivalent to 1.25 of Miss M's monthly payment, namely £374.33.

I have also considered whether Miss M is entitled to any further payment in recognition to the inconvenience and upset through impaired usage caused by her faulty car. Our investigator suggested £200 as an appropriate amount and I believe that, given she will be recompensed for the loss of use due to the fault, this represents a fair and appropriate amount.

On this basis I uphold Miss M's complaint.

## **Putting things right**

As Stellantis have attempted to repair the car to a satisfactory quality and these have not addressed the underlying issue, I find that Miss M is entitled to reject the car. In upholding the complaint, I direct Stellantis to:

- End the agreement with nothing further to pay by Miss M
- Collect the car with nothing further to pay by Miss M
- Refund Miss M her deposit of £4,000
- Pay an amount of £374.33 which equates to a pro-rata refund for the amount of time Miss M was without her car and a courtesy car was not available
- Pay 8% simple yearly interest from the date of payment until the amount is settled
- Pay a further amount of £200 in recognition of the trouble and upset caused by the faulty car
- Remove any adverse information from Miss M's credit file in relation to the agreement.

## **My final decision**

My decision is that I uphold this complaint against Stellantis Financial Services UK Limited. In order to settle this case they are directed to follow the redress above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 31 March 2025.

Leon Livermore  
**Ombudsman**