

## The complaint

Mrs R complains that the vehicle she acquired through Stellantis Financial Services UK Limited ("SFS") wasn't of satisfactory quality. She says the vehicle is not fit for purpose and wants the vehicle repairing at no cost to herself.

## What happened

Mrs R entered into a conditional sale agreement in October 2023 to acquire a used vehicle. The cash price of the vehicle was £14,494, and after taking account of Mrs R's advance payment of £3,000, the balance was to be repaid through the credit agreement which was set up over a term of 48 months. Mrs R's monthly payments were £313.92, resulting in the total repayable under the agreement, if it ran to term, being £18,068.16. At the time of acquisition, the vehicle was nearly eight years old and had been driven just over 69,000 miles.

Mrs R told us:

- About six weeks after acquisition, she noticed issues with the vehicle; unbearable shaking and loud noises whenever it was being driven over 40 mph;
- she took it to a specialist – one associated with the manufacturer – and was told that the rear differential had deteriorated, and the suggested cause of this was that incorrect oil had been added to it when it had been replaced;
- she'd not yet needed to service the vehicle, so any incorrect oil that had been added, leading to the deterioration of the rear differential must've taken place before she acquired it;
- in view of what she'd been told, she was also concerned that the front differential had incorrect oil as well, and that it too would deteriorate in the near future;
- she asked SFS to repair the vehicle at its own cost because the vehicle it supplied was not of satisfactory quality or fit for purpose;
- the vehicle was transported back to the supplying dealership, but she had to pay for this, and she had concerns about the quality and reliability of any repair, and whether or not the front differential really had been examined;
- there were also issues with the MOT, and the vehicle's registration;
- she's been impacted financially; she paid for an inspection; the transportation of the vehicle, and its registration;
- she's made all the monthly payments due under the credit agreement while being unable to drive the vehicle for several months;
- she wants the rear differential replaced with manufacturer approved parts, and a thorough examination of the front differential.

SFS rejected this complaint. It said it had asked the supplying dealership to assist it in assessing the merits of Mrs R's complaint, because it was best qualified to address issues of a manufacturing or technical nature for SFS. SFS said that it had been told that the dealership had resolved matters and had asked Mrs R to collect the vehicle.

SFS said it was pleased that the repairs had been completed and it trusted that the vehicle was performing as expected and to Mrs R's requirements.

Unhappy with its response, Mrs R brought her complaint to this Service. Although she has collected the vehicle from the supplying dealership and had it inspected again, she wants to reject it because of concerns about potential future problems with the front differential.

Our Investigator looked at this complaint and said that she thought it should be upheld. She said there were clearly things that *had been* wrong with the vehicle – the invoices from the supplying dealership specified the repairs it had undertaken in May 2024, and although there was no evidence of a *current* fault, she didn't think SFS had acted fairly in the circumstances. And she explained the relevance of the Consumer Rights Act 2015 (CRA) in this particular case.

She said she was persuaded that the fault arose within six months of acquisition, and neither SFS nor the supplying dealership had provided any evidence that the vehicle was of satisfactory quality at the point of supply; they'd simply arranged to carry out repairs at no cost to Mrs R.

Our Investigator explained the position with the vehicle's MOT history and said she was satisfied that the vehicle had been supplied as described in terms of its MOT status.

Because the vehicle supplied wasn't of satisfactory quality, our Investigator made some recommendations about what SFS needed to do to put things right.

She noted that repairs had taken place, and that these appeared to have been successful. But she noted that Mrs R had not had use of, or enjoyment of the vehicle for a lengthy period of time, and she asked SFS to refund some of her monthly payments because of this. She also asked SFS to pay Mrs R some compensation for the impact of its actions.

SFS hasn't responded or agreed to our Investigator's view sent on 3 October 2024, and it didn't respond when our Investigator contacted it again on 23 November and again on 4 November, so the complaint comes 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.

Having considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll explain why.

The conditional sale agreement entered into by Mrs R is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it. SFS is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

I note here that SFS has referred to the dealership as if it decides what happens in the resolution of this complaint. However, I remind SFS that it is the supplier of the goods under this type of agreement, and so it is responsible for a complaint about their quality. It follows that I have taken into account the comments of the dealership as if they were made on behalf of SFS in its role as the supplier.

The Consumer Rights Act 2015 ("CRA") is relevant 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".

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a vehicle purchase, will include things like the age and mileage of the vehicle at the time of sale, and the car's history.

The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

I've seen evidence from Mrs R that supports the timeline of issues and events that she describes. Taking all this into account, I've concluded that based on the limited time that Mrs R has had the vehicle, together with the fact that the supplying dealership agreed to undertake repairs at no cost to her, the vehicle wasn't of satisfactory quality when supplied.

I'm led to understand that the issues with the car, to date, have been rectified and I've seen nothing to suggest to me that the remedial work hasn't been completely successfully and satisfactorily. So, on the basis that the vehicle has been successfully repaired, I don't think it would be right to direct SFS to accept rejection of it. I'm satisfied that SFS, through the actions of the supplying dealership, has done what it needed to do in the circumstances.

Now, it may well be the case that Mrs R does not have full confidence in the repairs, or she fears that other faults may manifest themselves in the future and in this situation, it would be for Mrs R to instruct a recognised independent engineer to inspect the car.

In the event an independent engineer concluded that the repairs had not been successful - they'd not addressed the original fault, or alternatively, the engineer identified further faults that were *likely present or developing at the point of supply*, then Mrs R could bring a new complaint directly to SFS. In these circumstances, *most* businesses would accept rejection of the vehicle and reimburse their customer for the cost of the independent inspection.

But there still remains the issue of compensating Mrs R for the period in which she was unable to use her car; the costs she incurred in getting SFS and the supplying dealership to take ownership of the problem; and for the distress, worry, anxiety and inconvenience that she's experienced.

Mrs R has described in some detail the anxiety that she felt because of the unreliability of the vehicle, and the concerns she had that what had already gone wrong with the rear differential was likely to become a potential issue in the front differential. She's also explained how the lengthy period of time in which she simply couldn't use the vehicle impacted her work and her day-to-day life.

I'm satisfied that Mrs R paid for a vehicle that she wasn't able to use, and she experienced a loss of enjoyment in terms of using it. Because of this, I'm going to ask SFS to refund her some monthly rentals and reimburse her costs, and I'm going to ask it to pay her some compensation in recognition of the anxiety and worry it caused.

## **Putting things right**

I direct Stellantis Financial Services UK Limited to put things right by doing the following:

- Refunding Mrs R her monthly rentals for the period when she wasn't able to use the vehicle 4 March 2024, to the period when it was ready for collection on 24 May 2024 following repairs:
- Refunding Mrs R £514 in respect of the additional expenses she incurred. These arise from
  - £144 paid for diagnostics;
  - £370 paid to transport the vehicle back to the dealership for repairs;
- Paying 8% simple interest on the refunded amounts from the time these payments were made to the date of settlement\*.
- Paying Mrs R £150 for the distress and inconvenience caused it caused when it supplied goods that weren't of satisfactory quality.

\*HM Revenue & Customs requires Stellantis Financial Services UK Limited to take off tax from this interest. Stellantis Financial Services UK Limited must give Mrs R a certificate showing how much tax has been taken off if she asks for one.

## **My final decision**

My final decision is that I uphold this complaint and require Stellantis Financial Services UK Limited to settle this complaint as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 3 June 2025.

Andrew Macnamara  
**Ombudsman**