

## **The complaint**

Ms M complains that the car she acquired through Stellantis Financial Services UK Limited t/a PSA ("SFS") wasn't of satisfactory quality. She says there's been a number of faults from the day the car was purchased, and this has affected her family and caused distress and worry.

## **What happened**

Ms M entered into a hire purchase agreement in June 2021 to acquire a used car. The credit agreement was set up over a term of 48 months with the total amount of credit being £28,587, and Ms M's monthly payments were £470.38. At the time of acquisition, the car was less than 18 months old.

Ms M told us:

- She's had continuous issues with the car from around 3 weeks after acquiring it;
- on the first occasion, she experienced a dangerous and complete deceleration on a level crossing, when the car powered down. This was traumatic enough, but the worst element was the psychological impact of her children being in the car;
- she's had to take the car to the garage around 11 times since acquiring it and other than the most recent occasion, she's never been provided with a courtesy car – this has caused significant inconvenience;
- she's spent a lot of money on petrol whilst being unable to charge the car, and she's incurred additional costs for alternative transport whenever the car was in for repairs;
- she's paying £470 each month for a faulty product, and she's not been compensated for all the distress and inconvenience she's been caused.

SFS started investigating this complaint in May 2024, but after eight weeks it said Ms M could bring her complaint to this Service as it simply hadn't been able to provide her with a *final response*.

SFS said its records showed that it had provided Ms M with a final response in November 2022 addressing issues that had been raised at this time. But it said regrettably it had not been able to address the further issues raised by Ms M in March 2024.

On 5 June 2024, SFS told this Service it had contacted the supplying dealership and asked them to provide information from records of the visits referred to by Ms M along with any relevant job sheets. And it said it would pass these to this Service upon receipt.

Our Service had already asked SFS for its business file on 23 May 2024, but no file was forthcoming. Ms M's complaint was assigned to one of our Investigators and they contacted SFS following its communication of 5 June. We asked SFS for its file again on 26 June, again on 18 July, and yet again on 13 August – but our communications were not acknowledged, and no business file was forthcoming.

On 17 September, our Investigator was finally able to make contact with SFS, and was advised that it's case handler would telephone, but no telephone call was received.

On 26 September, our Investigator telephoned and emailed SFS, but neither contact was acknowledged or returned.

Our investigator told SFS that they would have no option but to consider Ms M's complaint and issue their assessment on the basis of the evidence on file. And they explained they were permitted to do this under the rules that govern our Service; specifically, DISP 3.5.14R and DISP 3.5.9R(3), allow this in the interests of resolving complaints quickly.

Our Investigator looked at this complaint and said that he thought it should be upheld. He said there were clearly things that had been wrong with the car, and he didn't think that SFS had acted fairly in the circumstances.

Our Investigator set out a clear timeline of the issues experienced by Ms M:

- Within 3 weeks of acquiring the car, there was an issue with the car decelerating without warning when Ms M was negotiating a level crossing. The car would not move and a warning of "*engine traction control fault*" was displayed.
- The car was returned to the dealership, and it advised it had fixed the fault – but the same warning illuminated a week later causing Ms M to lose all confidence in the car.
- Despite the events to date, the supplying dealership advised it couldn't come out to examine the car and assured Ms M it was safe to drive.
- Shortly afterwards, Ms M was advised that a new car part was required – but it needed shipping from Hungary. The part arrived 3 months later and was subsequently fitted. During this period the car couldn't be charged, so Ms M had to fuel the car. SFS agreed to refund her £400 in respect of this together with half of one monthly payment.
- On 28 September 2022, the car was serviced and two days later the car would not start. A well-known third-party breakdown recovery firm attended and advised that it appeared that during the service a wire had been knocked out of the fuel tank. This was disputed by the supplying dealership and addressed by SFS in its final response letter from November 2022.
- On 18 July 2023, the car was returned for work to be done to the battery as part of a manufacturer recall.
- On 5 October, an engine warning light illuminated, but the supplying dealership assured Ms M that the car remained safe to drive.
- On 3 January 2024, the car had its next service and Ms M was advised there was a battery fault, and a new part was required. But again, the supplying dealership advised that the car remained safe to drive until the replacement part could be fitted.
- On 29 January the car failed its MOT due to the earlier battery fault. This resulted in the car being held in the garage for over two weeks until the replacement was fitted. Three weeks later the car passed its MOT.
- On 3 March the car broke. Ms M explained that she was stranded with her family. The same well-known third-party breakdown recovery firm attended and advised that the issue related to the high voltage cable, and this could not be fixed at the roadside. As a result, recovery was arranged but that did not arrive until 10pm. The resulting communication issues between the supplying dealership and the recovery company caused a week's delay before the car was examined.
- On 11 March Ms M was advised the heater coolant and exhaust clamp needed repairs at a cost of around £2,000, and after lengthy negotiations, the supplying dealership and the car's manufacturer agreed to cover this cost.
- Following these repairs, the car was returned to Ms M, and there's been no further issues with the car since.

Our investigator said he didn't think that the car supplied to Ms M had been durable at the point of supply. And he explained the premature failure of parts indicated that there was a problem with the car that was present or developing at the point of supply. In summary he said the car supplied was not of satisfactory quality at the point of supply.

He noted that repairs had taken place, and that these appeared to have been successful. But he noted that the number of repairs meant Ms M had not had use of, or enjoyment of the car for lengthy periods of time, and he asked SFS to refund some of her monthly payments because of this. He also asked SFS to pay Ms M some compensation for the impact its actions (and inaction) had caused her.

SFS hasn't responded or agreed to our Investigator's view sent on 6 November 2024, and it didn't respond when our Investigator contacted it again on 20 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 hire purchase agreement entered into by Ms M 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.

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 car purchase, will include things like the age and mileage of the car 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 in the form of testimony, as well as copies of job sheets and records from Ms M that support the timeline of issues and events that she describes. And despite at least nine attempts to obtain information and a business file from SFS over the last eight months, no information has been forthcoming. Accordingly, I've no option but to base my decision on the evidence that I have seen.

Taking all this into account, I've concluded that based on the limited time that Ms M has had the car, the car supplied by SFS was not suitably durable. Put simply, a reasonable person would not expect to experience these problems in a car of this age. So, on balance, I don't think the car was durable and it therefore wasn't of satisfactory quality when supplied.

I'm led to understand that the issues with the car, to date, have been rectified and satisfactory and successful repairs have been carried out. But there still remains the issue of

compensating Ms M for the period in which she was unable to use her car, and for the distress, worry, anxiety and inconvenience that she's experienced.

Ms M has described in some detail the anxiety that she felt because of the unreliability of the car, and her reluctance to use it for some journeys when she was alone, or it was late at night. And this impacted her work and her day-to-day life. I'm satisfied that she paid for a car that she wasn't able to use, and she experienced a loss of enjoyment in terms of using the car. Because of this, I'm going to ask SFS to refund her some monthly rentals, 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 t/a PSA to put things right by doing the following:

- Refunding 2 monthly payments in respect of loss of use, and impaired use, of the car because of the inherent quality issues;
- Paying 8% simple interest on the refunded amounts from the time these payments were made to the date of settlement\*.
- Pay Ms M £500 for the distress and inconvenience caused.

\*HM Revenue & Customs requires Stellantis Financial Services UK Limited to take off tax from this interest. Stellantis Financial Services UK Limited must give Ms M 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 t/a PSA to compensate Ms M as I've directed above

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 24 February 2025.

Andrew Macnamara  
**Ombudsman**