

## **The complaint**

Mr M complains that the car he acquired financed through a conditional sale agreement with Stellantis Financial Services UK Limited wasn't of satisfactory quality.

## **What happened**

In June 2021 Mr M acquired a used car financed through a conditional sale agreement with Stellantis.

Mr M said on 1 August 2024 the car broke down. He said the car was recovered by the recovery service which indicated there was an engine issue. It was recovered to a garage where it has been since that date.

The garage reported to Mr M that it was noting a total loss of compression on the engine. It advised Mr M that a new engine was required and while it couldn't complete the work itself the garage did comment that it could cost approximately £15,000. Mr M subsequently investigated the cost of replacing the engine including contacting a manufacturers garage. He said some of the garages he contacted would not repair the engine because of known faults. They wouldn't be able to guarantee any rebuild. Mr M contacted the dealer who said it was past the 6 to 12 months guarantee. Mr M then investigated the apparent known issues with the engine and said that he'd found hundreds of articles online which stated this was a known engine defect within the industry. He said a recall was not completed by the manufacturer but the engine was changed in later models. He raised a complaint with Stellantis. He said he'd wasted many hours trying to get this situation resolved and found it impossible to find a garage that was able to perform an economically viable fix.

In its final response Stellantis said its point of sale liability had expired. It says as per the Consumer Rights Act (CRA) 2015 the onus is now on Mr M as the customer to provide evidence that the issues he was experiencing with the vehicle didn't occur through misuse or wear and tear. Mr M didn't agree and brought his complaint to this service. Mr M said he believed he was protected under the CRA that states the vehicle was not of satisfactory quality. He said he didn't believe Stellantis had given this case the due diligence it requires.

Mr M told this service he had requested a voluntary termination from the agreement with Stellantis which had been rejected. He also complained about the customer service he had received including having to wait over an hour when he called them on the telephone. Mr M said this situation had significantly impacted his mental health. He said he had been provided with much better customer care with his previous finance provider. He said he is very angry that he's been left with a car that is worth scrap.

Our investigator wasn't persuaded the issues with the car were present at the point of supply. So didn't think Stellantis needed to do anything further.

Mr M didn't agree. He said the investigator hadn't made reference to the customer service he had received from Stellantis, his right to voluntary terminate the agreement, and that Stellantis had a responsibility to ensure the vehicle was fit for purpose. Mr M said in his opinion the vehicle wasn't fit for purpose considering it had only covered 33,538 miles,

neither had it lasted the five-year hire purchase agreement term. Mr M said the vehicle was over £16,000 so second-hand or not, a total loss of engine is not "fair wear and tear". He said hundreds of people had experienced issues with this engine and it's a known fault. Mr M went on to say he didn't believe a reasonable person would expect a vehicle of this price, age, mileage and with its history to experience a total loss of compression on the engine. He said coupled with the many reports of identical issues he'd found online it seemed implausible that this would be the conclusion. Mr M said as the vehicle remains the property of Stellantis and if it is confident of its position then the onus is on it to obtain an independent engineer's report. He said while such a report may describe the failure modes of his vehicle he wasn't confident this would *"achieve identifying a positive trend with this engine completing the argument that this is an engine of unsatisfactory quality."*

Our investigator confirmed to Mr M that given the passage of time since the inception of the agreement, over six months, the onus falls on the consumer to prove the issues with the vehicle were present at the point of supply. He provided the names of three suppliers that could inspect the vehicle and produce an independent engineer's report. Mr M eventually had the vehicle inspected by a third party garage.

### **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 realise this will come as a disappointment to Mr M but having done so I won't be asking Stellantis to do anything further, for the reasons I've outlined below.

I've seen that Mr M has made numerous points in support of his complaint. I'm not going to respond to every single point made by him. No discourtesy is meant by this instead I've focused on what I think is the crux of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned it isn't because I've ignored it, I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time. Mr M's conditional sale agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Stellantis, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr M. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr M was about four years old, had been driven approximately 59,000 miles and had a price of £16,734.96. 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 several factors.

If I am to decide the car wasn't of satisfactory quality, I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant. Moreover, even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults, for example from wear and tear, but this will not necessarily mean the car is not of satisfactory quality.

*Is there a fault with the vehicle?*

I'm persuaded by Mr M's testimony and a recent inspection that there is a fault with the vehicle. A job sheet signed by the mechanic and dated 13 January 2024 said:

*"On inspection of the car we found the following issues:  
1x zero compression on cylinder 1 which caused crank failure. Suspect due to DPF  
over heating causing bore wash."*

*Is the vehicle of satisfactory quality?*

While I'm persuaded there is a fault with the vehicle, I'm not persuaded by the evidence provided that it wasn't of satisfactory quality at the point of supply.

Mr M has been quite insistent that the problem with the car is due to a known issue with the engine in this make and model of the vehicle. He has provided information from the Internet including car forums and discussions about this model of car, which he believes is evidence that his car has an engine with a known fault. He said his vehicle had an issue from the day it left the factory and there's enough literature (online) to confirm that. He said there is enough information out there about the faults with these vehicles when they rolled off the production line, there has been no recalls, therefore there has been no rectification. Mr M said that report or no report this car should have been accepted as a return back in August

I'm not disputing Mr M's assertion that there may be an inherent fault with the engine. But our service is evidence-based. It's my role to come to a decision based on the individual circumstances of this complaint. So I am reliant on evidence specific to Mr M's car. And the only information I have specifically relating to Mr M's car and its engine problem is the report I noted above. And although these won't necessarily establish the car wasn't of satisfactory quality Mr M hasn't provided the breakdown report from when the car failed on the motorway nor has he provided a report from the garage that the recovery service took the car to.

Mr M believes that as the car is still owned by the finance company it is Stellantis's responsibility to inspect the car. In the first six months of an agreement such as the one Mr M signed, the onus is generally on the finance company to show the goods were of satisfactory quality at the point of supply. After this the burden of proof generally shifts to the consumer. Our investigator asked Mr M to have the car inspected. We are not able to recommend a specific supplier for the inspection but I can see the investigator provided a list of companies that provide this inspection service. Mr M declined. From the research he did on the Internet he didn't believe the scope of the inspections provided by these companies would be able to produce a positive diagnosis that the engine failure was due to an inherent fault because his research indicated that the engine would need to be taken apart in order for the problem to be diagnosed.

Mr M asked if Stellantis would consider paying for the engine to be taken apart to prove the issues were related to a global engine issue. But Stellantis declined to do so which it has the right to do. Mr M eventually had the car taken to a manufacturers garage. This garage did inspect the vehicle and provided a topline diagnosis of the problem as I've noted above. But if I am to hold Stellantis responsible for the vehicle's failure I must be satisfied that this problem with the engine was present or developing at the point of sale. The report Mr M provides does confirm there is a fault, but it gives no indication of the reason for the fault or whether it relates to known issues with the engine or whether the problem was likely present or developing at the point-of-sale.

Mr M has queried how much more information he can present. And that this service is very focused on his time with the vehicle when from his research there are known issues at the point of sale with this model of engine he was not informed about. He said he feels this has

been proven. I do understand Mr M's frustration, but my role is to look at the individual circumstances of his complaint with respect to his specific vehicle. I cannot assume the faults with Mr M's car are the same as those reported on the internet. And the only evidence I have seen relating to Mr M's specific vehicle is three handwritten sentences from the garage.

I understand Mr M had difficulty finding a garage to look at the car. But I don't think there is persuasive evidence to determine the reasons for the problems identified by the garage and taking into consideration the mileage Mr M covered I think a fuller independent inspection, as suggested, was warranted. This inspection would've been more detailed than the one Mr M provided from the garage.

Where the evidence is incomplete, inconclusive or contradictory I reach my decision on the balance of probabilities - in other words what I consider is most likely to be the case in light of the available evidence and the wider circumstances. I do understand that Mr M is unhappy that the car has failed and will be a significant cost to repair, but in the absence of independent evidence that his car had faults present or developing at the point of sale and not as a result of wear and tear, it wouldn't be fair of me to conclude that the car wasn't of satisfactory quality when supplied.

Mr M has also told this service that Stellantis won't allow him to voluntarily terminate the agreement. If that remains the case, he can bring a new complaint to the business to allow it to investigate.

Mr M has told us that this situation has caused him additional stress which he's seen his GP about and he's had to give up his job because he has no working car. I'm very sorry to hear this. If Mr M is in financial difficulty he should make Stellantis aware of this as soon as possible. Businesses must treat customers sympathetically and positively when they are aware of financial difficulty.

Mr M has also complained about the way Stellantis handled his complaint. Complaint handling isn't a regulated activity so I am not able to look at that.

As I mentioned above my role is informal. If Mr M rejects my decision nothing in this decision prevents him from pursuing matters more formally such as through the court. Although this comes with additional risk and cost.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 February 2025.

Maxine Sutton  
**Ombudsman**