

## **The complaint**

Ms A complains about the quality of a car she has been financing through an agreement with Stellantis Financial Services UK Limited (Stellantis) trading as Vauxhall Finance.

Ms A has been represented by her daughter. For ease, and because Ms A is the person named on the finance agreement, I will only refer to her in this decision. I mean no disrespect to her daughter when doing so.

## **What happened**

In October 2022 Ms A took receipt of a brand-new car. She funded the deal through a conditional sale agreement with Stellantis.

In January 2023 Ms A noticed a warning light for a gearbox and engine fault. The issue persisted and Ms A returned the car for repairs on several occasions, but repairs were unsuccessful, and by April 2024 Ms A was unable to drive the car as the fault was still present.

Stellantis offered £500 in compensation and were under the assumption that Vauxhall Customer Care were arranging for the car to be replaced. But Ms A rejected the offer and brought her complaint to this service.

In November 2024 our investigator provided his view on the complaint. He thought there was evidence that the car was of unsatisfactory quality, and he suggested Stellantis should, therefore, allow Ms A to reject it and end the finance agreement.

Stellantis didn't respond to the investigator's opinion, so the complaint has been passed to me, an ombudsman, 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.

I'm upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Ms A acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Stellantis, who are also the supplier of the car, are responsible. The relevant law also 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.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Ms A. The car here was brand-new so I don't think a reasonable person would expect it to have any faults.

The relevant legislation explains that if the fault occurs within the first six months, we are to assume it was present at the point of supply, when Stellantis were responsible for the car's quality, unless they can demonstrate otherwise. Ms A first reported issues with the car a couple of months after she took receipt of it and Stellantis haven't provided any evidence that would lead me to challenge the assumption that the fault was developing when the car was supplied to her. The mileage was low, and the fault first occurred soon after Ms A took receipt of the car, so I think it's more likely than not that it was developing when the car was supplied to her.

The relevant legislation allows a business one opportunity to repair a car in those circumstances. But here several repairs have been attempted on the gearbox, as follows:

28 December 2023 – Select finger actuator replaced.

23 January 2024 – Gearbox solenoid replaced.

14 February 2024 – Gearbox control unit replaced.

28 March 2024 – Solenoid harness replaced.

Ms A hasn't been able to use the car since 16 April 2024 as those repairs have failed. In those circumstances, Stellantis should now allow her to reject the car and end the finance agreement with them.

### **Putting things right**

Stellantis will need to refund any deposit Ms A has paid and they should add interest to that refund as Ms A has been deprived of the money.

Ms A hasn't been able to use the car since 16 April 2024. She also had no use of the car while it was being repaired between 24 November 2023 and 2 December 2023, and between 9 March 2024 and 3 April 2024. Stellantis should refund any payments made towards the agreement since 16 April 2024 and provide a pro-rata refund of instalments for the other two periods in which Ms A had no use of the vehicle. They'll need to add interest to that refund as Ms A has been deprived of the money. A courtesy car was provided between 2 December 2023 and 27 February 2023 and as Ms A was kept mobile at that time, I'm not asking Stellantis to provide a refund of instalments for that period.

Ms A was able to use the car between from the beginning of 2023 until 24 November 2023 but her use was impaired by regular faults with the gearbox. Stellantis should refund 10% of instalments paid during that period to reflect the impaired use.

Ms A has experienced some distress and inconvenience here. She's broken down on several occasions and has had to call and arrange repairs and she's been kept waiting for

an extended period of time when I think Stellantis could have been more helpful. She's also explained that she's been struggling financially while still being asked to meet payments on a car she could no longer drive. In the circumstances, I think Stellantis should pay her £400 in compensation.

Ms A has explained that she was, at one time, asked to put petrol in the car so a test drive could be completed. I've seen a text message that corroborates that and I ask Stellantis to refund that money without the need for a receipt.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell Stellantis Financial Services UK Limited to:

- Allow Ms A to reject the car and end the finance agreement.
- Collect the car at no cost to Ms A.
- Refund any deposit or part exchange contribution that has been paid and add 8% simple interest\* per year from the date of payment to the date of settlement.
- Refund 10% of all finance payments made from the start of 2023 until 24 November 2023 in respect of impaired use.
- Refund any payments Ms A has made towards the agreement from 16 April 2024 until the date of settlement and provide a pro-rata refund of instalments for the periods 24 November 2023 to 2 December 2023, and 9 March 2024 to 3 April 2024 when Ms A had no use of the car. Add 8% simple interest\* per year from the date of payment to the date of settlement.
- Pay Ms A £400 to compensate her for the distress and inconvenience she's experienced.
- Refund £20 Ms A spent on fuel for a road test that wouldn't have been necessary if the car had been of satisfactory quality.
- Remove any adverse reports they may have made to Ms A's credit file in relation to this issue.

\*If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 30 April 2025.

Phillip McMahon  
**Ombudsman**