

## **The complaint**

Mr G complains that Stellantis Financial Services UK Limited ("Stellantis") has failed to treat him fairly in respect of charges it has asked him to pay when he changed his mind about the voluntary surrender of a car supplied to him under a hire purchase agreement.

## **What happened**

The information that we hold on this complaint is limited. As I will explain in more detail later Stellantis has failed to engage with our requests for information. So my findings here are largely based on the limited information that Mr G has been able to provide.

Mr G was supplied a car under a hire purchase agreement with Stellantis in September 2022. The agreement was to run for a period of four years. In October 2023 Mr G faced a significant and unexpected change in his circumstances. As a result he was unable to manage his agreement with Stellantis or meet the repayments that were due. He provided authority for his father to deal with matters on his behalf.

Mr G's father told Stellantis that Mr G wished to voluntarily surrender the car. But later, Mr G decided to sell the car privately and use the proceeds to settle the hire purchase agreement. Mr G's father made Stellantis aware of this change of approach. Stellantis agreed to stop the surrender activities but told Mr G's father that a recovery company had already been engaged to repossess the car. Mr G's father was told he would need to contact the recovery firm in order to cancel the collection activities.

After some difficulty Mr G's father did manage to cancel the collection before any attempt at its completion had been undertaken by the recovery firm. But later Mr G was asked by Stellantis to pay its fee of £336 that it said became due when the repossession activities started. Unhappy with that demand Mr G complained to Stellantis.

Stellantis told Mr G that it thought its charge was fair. It said that it was reasonable to make the charge given its recovery process had started. It said it had been Mr G's responsibility to work with Stellantis to find the best solution to his problems before making a final decision on how to proceed. Unhappy with that response Mr G brought his complaint to us.

Mr G's complaint has been assessed by one of our investigators. He noted that our rules allow him to consider the complaint despite Stellantis not providing us with any information. He thought it was clear that Mr G had made no use of the recovery service and had cancelled it before any collection had been attempted. The investigator also noted that Stellantis had failed to engage with reasonable attempts made by Mr G to pay the outstanding balance in affordable instalments. So the investigator thought it fair that Stellantis should waive the charge.

Stellantis didn't reply to that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process. If Mr G accepts my decision it is legally binding on both parties.

## **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 deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr G and by Stellantis. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Mr G was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it. In order to assess this complaint we have asked Stellantis for some information on a number of occasions. Stellantis has failed to respond to those requests or to the assessment made by our investigator. I would hope that I do not need to remind Stellantis of its responsibilities under the regulator's complaint handling rules. But I am setting out here two parts of those rules that I think support the actions I am taking on this complaint.

### ***DISP 3.5.9***

*The Ombudsman may:*

*(3) reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested;*

### ***DISP 3.5.14***

*If a respondent fails to comply with a time limit, the Ombudsman may:*

*(1) proceed with consideration of the complaint;*

Although much of the information on which I am relying here has been provided by Mr G I have no reason to doubt his testimony. So in the absence of any rebuttal evidence from Stellantis I am satisfied my conclusions are fair and reasonable.

As with any lending agreement Stellantis would be expected to treat Mr G fairly, with forbearance and with due consideration, if he told the firm he was facing a change in his circumstances that meant making his repayments would be difficult. Mr G authorised his father to make prompt contact with the firm when his circumstances changed. It would be reasonable for Stellantis to have clearly set out the implications of any choices Mr G was making before that decision became irrevocable. I haven't seen anything to make me think Stellantis made Mr G aware of the costs he would need to pay even if he changed his mind about voluntarily surrendering the car.

Generally I wouldn't think it unreasonable for a lender to make a charge for its additional costs in dealing with the early termination of an agreement. There are likely to be some additional administration activities, and other costs that might be incurred such as for the recovery of the car and its sale at auction. But I'm not persuaded that, when the early termination didn't take place, and instead Mr G simply repaid what he owed under the agreement, it is fair for Stellantis to add a charge as if it had collected the car from Mr G and later sold it at auction.

Mr G has also told us that he attempted to negotiate an agreement with Stellantis so that he could pay the charge that had been levied, even though he thought it unfair, through some affordable instalments. Again, in line with its regulatory responsibilities, I would have expected Stellantis to engage with Mr G's offer in a positive manner.

As I've said earlier Stellantis has failed to engage with our investigation of this complaint. That seems similar to the problems that Mr G faced when he tried to discuss and resolve the matter with the firm. I don't think it fair that Mr G should be left owing the money that Stellantis has asked him to pay for the cancelled surrender of his car over such an extended period.

So on balance I don't think Stellantis should ask Mr G to pay any charges in relation to the cancelled voluntary surrender of the car. It should issue confirmation to Mr G that those charges have been removed from his account.

### **My final decision**

My final decision is that I uphold Mr G's complaint and direct Stellantis Financial Services UK Limited to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 February 2025.

Paul Reilly  
**Ombudsman**