

## **The complaint**

Mrs B is unhappy that a car supplied to her under a conditional sale agreement with Stellantis Financial Services UK Limited trading as Vauxhall Finance ('Stellantis') was of an unsatisfactory quality.

## **What happened**

In March 2023, Mrs B was supplied with a used electric car through a conditional sale agreement with Stellantis. She paid a £1,500 deposit and the agreement was for £15,773 over 60 months, with monthly payments of £359.58. At the time of supply, the car was around 2 years old and had done 11,679 miles (according to the vehicle invoice dated 21 March 2023).

Mrs B said that she started to have intermittent problems with the car from shortly after it was supplied to her – the car kept losing power. After contacting the supplying dealership about this, they advised her to have the car inspected by a local manufacturer's garage. A potential battery issue was found, and the fault codes erased.

Mrs B was told to monitor the car. The car lost power again in September 2023, but she managed to get it restarted without any assistance. A further breakdown, with the same loss of power issue, happened on 4 March 2024 and, on 22 March 2024, the battery was replaced. However, this didn't fix the issue and the car broke down again on 2 April 2024.

Mrs B complained to Stellantis, but they didn't uphold her complaint. They said she'd had the car for over a year, and driven over 10,000 miles, so any repairs may be her responsibility. They also said that, if the car was faulty when it was supplied, then they had the right of repair. Stellantis also offered Mrs B the opportunity to reject the car upon payment of a mileage charge of around £6,000.

Unhappy with what had happened, Mrs B brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator said there was an intermittent fault with the car that had been present from shortly after the car was supplied to Mrs B, and which still remains. This made the car of an unsatisfactory quality. The investigator thought that, as the dealership had agreed to the local manufacturer's garage inspecting and repairing the car, the right of repair had already taken place. And, with the car still being faulty, Mrs B now had the right to reject the car.

So, the investigator recommended that Stellantis take back the car and refund Mrs B the deposit she'd paid, along with £250 compensation for the trouble and upset she'd been caused. Stellantis didn't respond to the investigator's opinion so, under our process, we treat it as if they've rejected this opinion. As such, the matter has been passed 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 done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mrs B was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Stellantis are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Stellantis can show otherwise. So, if I thought the car was faulty when Mrs B took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Stellantis to put this right.

I'm satisfied the evidence shows there was a fault with the car when it was supplied to Mrs B, and that this fault still exists – the invoice from the local garage dated 20 April 2023 confirms a power issue and the clearing of the fault codes. Breakdown reports show this didn't fix the fault, and a further invoice from the local garage dated 22 March 2024 shows that the battery was replaced in an attempt to fix the issue. Subsequent breakdown reports show this didn't work.

Section 24(5) of the CRA says *"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract."* This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it's not a single chance of repair for the dealership AND a single chance of repair for Stellantis – the first attempted repair is the single chance at repair. As the dealership authorised the local garage to inspect the car in April 2023, the attempt to fix the issue by clearing the fault codes was the first chance of repair. What's more, the replacement of the battery in March 2024 is classed as a subsequent chance of repair – something Mrs B was able to agree to.

However, the CRA is clear that, if the single chance at repair fails, then Mrs B has the right of rejection. As both the first and subsequent chance of repair were unsuccessful, I think it's now fair and reasonable that Stellantis allow Mrs B the right of rejection. And I also think they need to do something more to put things right.

### **Putting things right**

Despite the intermittent fault with the car, the mileage record showing in the various invoices and breakdown reports, along with the up to date mileage supplied by Mrs B, show that she

has been able to use the car while it's been in her possession. And while it was being repaired, it's my understanding that she was also provided with a courtesy car to keep her mobile. Because of this, I think it's only fair that she pays for this usage. So, I won't be asking Stellantis to refund any of the payments she's made.

However, I think Mrs B should be compensated for the distress and inconvenience she was caused by the above. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator also recommended Stellantis pay Mrs B an additional £250, to recognise the distress and inconvenience she's been caused by the complaint. And having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I think this is significant enough to recognise the worry and upset Mrs B would've felt by having to arrange for the car to be repaired, and by this repair being unsuccessful. And I think it also fairly reflects the fact that Mrs B was driving a car with the constant worry that it would break down. So, this is a payment I'm directing Stellantis to make.

Therefore, if they haven't already, Stellantis should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mrs B;
- remove any adverse entries relating to this agreement from Mrs B's credit file;
- refund the deposit Mrs B paid (if any part of this deposit is made up of funds paid through a dealer contribution, Stellantis is entitled to retain that proportion of the deposit);
- apply 8% simple yearly interest on the refund, calculated from the date Mrs B made the payment to the date of the refund<sup>†</sup>; and
- pay Mrs B an additional £250 to compensate her for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Stellantis must pay this compensation within 28 days of the date on which we tell them Mrs B accepts my final decision. If they pay later than this date, Stellantis must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires Stellantis to take off tax from this interest, Stellantis must give Mrs B a certificate showing how much tax they've taken off if she asks for one.

### **My final decision**

For the reasons explained, I uphold Mrs B's complaint about Stellantis Financial Services UK Limited trading as Vauxhall Finance. And they are to follow my directions above.

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

Andrew Burford  
**Ombudsman**