

The complaint

Mr P complains about Stellantis Financial Services UK Limited ('Stellantis'). He complains about how it has administered the finance he used to acquire a car in 2020. Mr P says that it has acted unfairly when it terminated the agreement and sold the car at less than its market value.

What happened

Mr P acquired a car using a hire purchase agreement that was started in March 2020. The vehicle had a retail price of £27,005. Mr P paid a £3,400 deposit meaning £23,605 was financed. This agreement was to be repaid through 48 monthly instalments, there were 47 monthly repayments of £381.36 and then a final instalment of £9,545. If Mr P made repayments in line with the credit agreement, he would need to repay a total of £30,868.92.

Mr P fell into arrears with the agreement in 2023 and it was terminated, the car was then sold at auction in 2024.

Mr P has complained to Stellantis about how it has handled the arrears, the termination of his account and the sale of the car. He thinks that Stellantis didn't properly consider his mental health problems at the time and, most importantly, he thinks that the car was sold for too little. This has left him with a greater amount to pay than he thinks is fair.

Stellantis considered this complaint, and it didn't uphold it. It said that it hadn't maladministered the account and had no direct influence over the sale price of the car. It apologised about the communication methods used during the complaint investigation and said it would correspond using only email going forward.

Mr P didn't agree with this and brought his complaint to the Financial Ombudsman Service. Our Investigator didn't uphold Mr P's complaint. He wasn't persuaded that Stellantis had maladministered Mr P's account, given the contact it had received from him. And Stellantis hadn't done anything wrong when it terminated the agreement and sold the car.

Mr P didn't agree with the Investigator. He said that:

- The car was sold for too low a price, it was a good example of this type of car, and it sold for two thirds of the average market value.
- Stellantis had no incentive to ensure he received a fair retail value for the car, and it was not treating him fairly when it sold the car below a fair value.
- It ignored his offers to try and put things right.

There was some further correspondence, but no new issues were raised. Because Mr P didn't agree, this matter has been passed to me 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

I won't detail all the events that led to the agreement being terminated and the car being sold at auction, as all parties to the complaint are aware of them. And I've concentrated on the issues that I need to consider to be able to reach a fair decision. I won't comment on every aspect of what went on, or all the issues that have been raised. I have considered everything, but all the circumstances don't need to form part of this decision.

From the statement of account that Stellantis has provided I can see that Mr P had some problems repaying the loan in 2020 and 2021, it seems this was due to the Covid 19 pandemic. And he was regularly being issued with notices of default throughout 2022. But he was always able to make some of the regular repayments over this time, and so the loan wasn't defaulted in this earlier period.

The problems that led to the agreement being terminated started in late 2022 and continued into 2023. Mr P has told us that he is self-employed and he struggled to find work. He has said that he was unable to make the loan repayments.

Given this, I think it's established that Mr P was unable to reliably make the contractual loan repayments. There was a history of late payments since the account started and he was significantly in arrears in 2023. And in the communications Stellantis sent, in particular the default notices, Mr P was told that he needed to make up the arrears or the finance would default, which it did.

I can see from the contact history Stellantis has provided that in early to mid 2023 that Stellantis tried to contact Mr P a significant number of times due to the arrears on the account, but it was unable to reach him. It didn't receive a substantive reply to the communications it sent. Because of this the finance was defaulted in April 2023 and a pre termination letter was issued in May 2023. Mr P was informed that the lending was being passed to the businesses legal and recoveries departments. A termination letter was issued in June 2023. I think it's reasonable to say there was very little, if any, response from Mr P over this time.

I think it's reasonable to say that a lending agreement is usually defaulted, and terminated, when a consumer is unable to make the loan repayments and the relationship between the two parties has broken down. I think this is clearly the case here. Mr P was unable to make the loan repayments and has said himself that he was unable to correspond with the business over this time. I don't think it was unfair of Stellantis to recognise this and take the appropriate action.

So, I don't think that Stellantis was acting unfairly when it defaulted the loan and terminated the agreement.

I've also looked at how all this was communicated to Mr P. As I've said, I haven't reproduced all the correspondence, and I don't think I need to. I have looked at it all and I've noted that there were numerous communications from Stellantis, via telephone calls, text messages, emails, and letters about the loan repayments and arrears. Mr P was informed about the default and termination, and that Stellantis would take steps to recover the car after the agreement was terminated. I think Stellantis fully informed Mr P about all of this.

And in any event, as I've found above, I don't think that Mr P was able to pay the finance and so I don't think that further communications, would have altered what happened with the finance and the car. I think the agreement was ended as Mr P was unable to repay it.

After the agreement was terminated Mr P still had possession of the car. And as part of this process Stellantis recovered the car. I understand it did this via a court approved return of goods order after Mr P had been unable to sell the car himself and clear the arrears on his account. As the repossession of the car was ordered by a court I can't consider whether this was the right thing to do as this has already been decided.

Stellantis went on to sell the car at a car auction. And I think it's reasonable to say that the crux of Mr P's disagreement with this course of action was the sale price of the car. Mr P feels that Stellantis should have been able to secure a better price for the car and he would have ended up owing less. After the car was sold Mr P still owes just over £6,000 to Stellantis.

I can see that Mr P thinks the car was worth significantly more than it fetched at the auction, but Stellantis wasn't acting incorrectly when it used this method to sell the car. Whilst Mr P has seen adverts for similar cars with higher prices there is no guarantee that Mr P's car would have sold for this amount. And as Mr P has said himself he was unable to sell the car and secure this higher price, possibly due to some damage to it. I'm not upholding Mr P's complaint about the sale value of the car.

It's clear that Mr P has had, and still has, what he has described as some mental health difficulties. These have made it difficult for him to deal with this situation and other aspects of his life. I hope things have improved for him.

Mr P feels that Stellantis should have done more to assist with this, and he has said that it bombarded him with phone calls texts and emails throughout this process. But it's not clear to me that Mr P informed Stellantis he needed assistance with these difficulties until after the finance termination process. And even if he had done this then the lack of communication would make it difficult to say that Stellantis should have acted differently here.

Overall, I don't think that Stellantis has acted incorrectly here. I appreciate this will not be the answer that Mr P is looking for but I'm not upholding this complaint.

I understand Mr P still owes Stellantis a significant amount. When Stellantis is arranging how Mr P should repay this, I would remind Stellantis of its responsibility to treat Mr P fairly and with forbearance. and positively assist him with this debt.

My final decision

For the reasons set out above, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 June 2025.

Andy Burlinson
Ombudsman