

The complaint

Mr W complained about the way Stellantis Financial Services UK Limited ("Stellantis") responded when he tried to refinance his car credit agreement.

When I refer to what Mr W has said and what Stellantis has said, it should also be taken to include things said on their behalf.

What happened

In March 2020, Mr W took out a conditional sale agreement with Vauxhall Finance ("VF") to buy a car. He paid a deposit of £7,000 and 48 monthly payments of £312.53. The final repayment would be £5,804 after which Mr W would own the car.

On 22 January 2024, Mr W received a letter from VF which set out the due date for the final (balloon) payment as 21 April. Mr W called VF on 8 February to discuss his options, but he didn't receive the paperwork. He called again on 23 April and received the options information by email the following day. Mr W chose to repay the final amount over two years.

Five days later, Mr W received a request for the full balloon payment. Around three weeks later he received the credit check forms for the new loan, followed by a letter confirming that VF had changed to Stellantis and there had been system problems.

On 11 June, Stellantis sent a contract for the new credit agreement to Mr W, asking for his digital signature. He requested, received, completed and returned a paper copy of the contract. However, over the following months, Mr W received:

- Requests for payment of the full outstanding amount.
- A change to his direct debit reference.
- Requests for him to call, which he did but the office was closed.
- A letter dated 18 July giving him his options, otherwise the balloon payment would be collected on 21 April (notable that this was three months before the date of the letter).

Mr W made many calls to Stellantis during this time to try to resolve matters, and he raised complaints. Stellantis took the details, but Mr W said nothing happened. He said Stellantis told him:

- There were problems following the changeover.
- There was a backlog.
- It hadn't received his paperwork in June.
- Not to make payments yet.

On 30 August 2024, Stellantis issued a final response letter in which it said Mr W hadn't returned the new credit agreement paperwork and it was too late to refinance the balloon payment.

Mr W found that adverse information had been recorded on his credit file since April 2024, although he hadn't been made aware of this or received notice of a default. Mr W continued

to contact Stellantis to resolve matters, but each time it recorded a new complaint and sent automated responses.

Mr W brought his complaint to our service. He said:

- He was frustrated by the months of trying to arrange finance only to be told it was no longer available.
- The company changeover from VF to Stellantis likely affected the service.
- His mortgage application was declined due to the adverse information on his credit file.
- His direct debit was still in place, and funds were available, yet Stellantis hadn't tried to take any payment.
- Stellantis declined his direct offers to pay.
- He felt forced to take out a finance agreement for a new car to try to resolve things, but this was at a higher interest rate, likely because of the adverse information on his credit file.
- He wanted his credit file corrected.
- This matter impacted his health.

Our investigator asked Stellantis for comments and evidence in respect of Mr W's complaint on several occasions. Stellantis didn't respond. Therefore, in line with the rules under which our service operates, the investigator reached an opinion based on the evidence available.

Our investigator thought Mr W's complaint should be upheld. While she agreed that the change to Stellantis likely affected the handling of his credit agreement, our investigator said the impact on Mr W was significant and could've been prevented. She thought that Stellantis ought to remove the adverse information from Mr W's credit file, pay £750 compensation, and pay the difference in interest between that which he paid for his new car and what would've been offered had his credit file not been affected by this matter.

Mr W accepted our investigator's proposal. Because Stellantis didn't respond, despite reminders, 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.

Having done so, I've decided to uphold Mr W's complaint for broadly the same reasons as our investigator set out in her view.

In considering this complaint I've had regard to the relevant law and regulations, including the Consumer Duty. Mr W was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

Both Mr W and Stellantis are familiar with the details of this complaint, which I've summarised above. 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 given the available evidence and wider circumstances.

Although Stellantis didn't provide any evidence for consideration, Mr W submitted a lot of information which included letters and emails he'd received from both VF and Stellantis.

Therefore, I've had sight of its view on matters to some degree. Looking at that correspondence, it's clear to me that Stellantis received Mr W's complaint and would've been fully aware of the situation.

I've noted the comments that Mr W wrote on the letters he received from Stellantis, presumably during phone conversations with it. On balance, I think it's reasonable to rely on those comments as a fair representation of the events at the time.

In his notes, Mr W said Stellantis told him not to make payment yet, and in its letters I see that he was told his direct debit remained in place and he needn't do anything different about future payments. Mr W confirmed he had more than enough funds in his account to cover the balloon payment had Stellantis requested it. Mr W returned the new finance forms on two occasions. Despite all of this, Stellantis placed adverse information about his agreement on his credit file. I've seen the credit report and it's clear that the only adverse information relates to this agreement. Indeed, I understand that Mr W's profession and business require him to have a clean credit file. Therefore, I accept that this matter would've caused him the distress and inconvenience he reported.

There's no contradictory information from Stellantis, or any evidence which causes me to doubt Mr W's version of events. Therefore, I'm satisfied that Stellantis fell significantly short in the way it handled Mr W's refinance request for the balloon payment and in its notification to the credit reference agencies of a default on the agreement. To put this right, I'm requiring Stellantis to remove the adverse information it recorded on Mr W's credit file in respect of his 2020 credit agreement.

In the absence of any meaningful responses from Stellantis, Mr W felt his only option to resolve matters was to arrange a new credit agreement for a new car. But he thinks that because of the information Stellantis recorded on his credit file, he was charged a higher interest rate than he would've been otherwise. I can't confirm whether that's the case, but what I can see is that his refinancing loan was offered at 9.9% whereas the November 2024 credit agreement was set at 14.9%. Mr W said he only purchased the new car to end the months of problems with Stellantis, so I think it's reasonable, in the circumstances, for Stellantis to look at the interest rate it would've charged had Mr W's credit file been clear of adverse information directly relating to his 2020 credit agreement with it. If the interest rate would've been lower, Stellantis should pay Mr W the difference in interest costs between that and the interest amount charged for the full term of the November 2024 agreement.

As I've mentioned, Mr W's business is dependent on him having a good credit file. He described the stress this matter caused him, and he believes it had a detrimental effect on his health and his ability to get a mortgage. To protect his privacy, I won't give details. Nevertheless, I see that the evidence shows Mr W spent a considerable amount of time trying to resolve matters with Stellantis, including trying to pay the balance, arrange refinancing, chasing responses, making many calls, and yet receiving little in the way of meaningful responses. This took place over more than six months. In light of the evidence, I find that Stellantis caused avoidable delays, resulting in the distress and inconvenience Mr W described, which warrants compensation. I'm satisfied that £750 is fair and reasonable in the circumstances.

My final decision

For the reasons explained, I uphold Mr W's complaint about Stellantis Financial Services UK Limited and it must:

- Remove any adverse information relating to Mr W's 2020 credit agreement (the subject of this complaint) from his credit file.

- Calculate the interest rate that would've been offered to Mr W for his new credit agreement had it not recorded adverse information on his credit file. If that rate would've been lower than his current rate, pay Mr W the difference in the cost of interest between his 2020 credit agreement and his 2024 credit agreement.
- Pay Mr W £750 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 June 2025.

Debra Vaughan
Ombudsman