

The complaint

Ms M complains about the quality of a car supplied to her under a financial agreement with Stellantis Financial Services UK Limited (Stellantis).

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Ms M says she had an issue with the car soon after she acquired it, the supplying dealership supported rejection and so Ms M went ahead and rejected the car. The fault was confirmed in August 2023 and Ms M was provided with a courtesy car.

In the meantime, Ms M acquired another car under a second finance agreement in November 2024. Ms M says she was expecting a refund of the monthly payments she made in September and October 2023 but when this didn't happen Ms M complained.

Stellantis didn't uphold the complaint, it said as Ms M had been kept mobile it would retain the monthly payments.

Our investigator upheld the complaint, although he didn't recommend Stellantis needed to refund the monthly payments, he concluded that Ms M should be compensated £400 for the distress and inconvenience caused.

Ms M disagreed and asked for the matter to be considered by an ombudsman for 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

In considering what's 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 to have been good industry practice at the relevant time.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Stellantis is also the supplier of the goods under this type of agreement, and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Ms M entered. Because Stellantis supplied the car under a financial agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors.

So, if I thought the car was faulty when Ms M 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 things right.

Having carefully considered matters I'm satisfied that both parties are in agreement that the car supplied to Ms M wasn't of satisfactory quality. So all I need to decide here is whether what Stellantis has agreed to do to put things right for Ms M is fair and reasonable in all the circumstances of her complaint.

I've also considered all the available evidence and I'm in agreement with our investigator that Stellantis needs to do a bit more to put things right for Ms M. I'll now proceed to explain why I think that this is the case.

The issue of a fair remedy is the key matter in contention here. The CRA sets out appropriate remedies in particular situations so I have taken these into account when considering what is fair and reasonable. Along with the specific circumstances in Ms M's case. And where matters are unclear, I decide what I think is most likely on the balance of probabilities. From the information I have been provided I am satisfied that Ms M wanted to reject the car at an early stage but from what I've seen I don't think this was communicated to Stellantis when it should have been.

Ms M informed Stellantis in early September 2023 that she had rejected the car, Stellantis should have confirmed the rejection and followed up with the dealers, but it didn't. Instead, it asked about the deposit without confirming the rejection was in progress. It failed to act when the deposit email wasn't answered and missed further opportunities when Ms M called it several times in October 2023. These calls triggered by late payment letters would never have been necessary if the rejection had been processed correctly. Stellantis was ultimately responsible for managing the rejection and failed to take the required steps in a reasonable amount of time.

I think if handled properly, the agreement would have ended, Ms M would have received her deposit back and no further payments would have been made. Stellantis kept Ms M in a courtesy car until her new vehicle arrived and it argues it shouldn't reimburse her two monthly payments as it kept Ms M mobile.

When looking at what is a fair and reasonable remedy, where possible I'm looking to put Ms M back in the position she would've been had the car supplied been of a satisfactory quality. If I were to ask Stellantis to refund the payments Ms M paid whilst she was kept mobile in the courtesy car, then I would be putting her in a position of betterment i.e., she would essentially have two months of payment free motoring, which I consider unfair. I understand Ms M says she wasn't given an option and she had alternative means of travel, but I've seen nothing to show Ms M communicated this with Stellantis.

It's for these reasons I won't be asking Stellantis to refund the monthly payments she made while she was in possession of a courtesy car. That being said I do agree with the investigator and think the overall circumstances of the complaint would've had an impact on Ms M. So, for the distress and inconvenience caused I think Stellantis should pay £400 for the overall impact the delays in processing the rejection would have had.

My final decision

For the reasons I've explained above I uphold this complaint and direct Stellantis Financial Services UK Limited to pay Ms M £400 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 14 August 2025.

Rajvinder Pnaiser
Ombudsman