

## The complaint

Mr B complains about the quality of a used car he acquired through a personal contract purchase agreement with Stellantis Financial Services UK Limited ('Stellantis'). Mr B says that he has had persistent, and unresolved, issues with the car since he acquired it in 2023. He would like the car to be replaced or to be able to reject it.

## What happened

Mr B's complaint is about the quality of a car he acquired in January 2023. The car was used, and it was first registered in February 2019. So, it was about four years old when Mr B received it. It had covered 20,433 miles.

Mr B acquired the car using a personal contract purchase agreement which started in January 2023. The vehicle, and the additions such as the warranty Mr B purchased, had a price of £17,928. Mr B paid a £3,466.74 deposit meaning £14,461.26 was financed.

This agreement was to be repaid through 48 monthly instalments, there were 47 monthly instalments of £238.57 followed by a final instalment of £9,068. Based on the statement of account an outstanding balance remains due.

If Mr B made repayments in line with the credit agreement, he would need to repay a total of £23,747.53

Mr B has complained about the quality of the car. Below is a summary of the issues complained about by Mr B and the investigation and repair work that has been carried out by the dealership, alongside with what has happened in respect of the complaint.

Mr B said that there was some cosmetic damage to the car when he acquired it, and the stop/start function was not working. These were looked at by a dealership and Mr B says they were repaired poorly at first. But, I understand this work was completed in time.

Regarding the engine failures, briefly:

- In June 2023 a dealership service invoice shows that the car was going into limp mode. It had travelled 29,313 miles at this time. Mr B says this was a timing chain issue which was repaired at the time.
- In August 2023 the car's engine failed, it had travelled 31,679 miles.
- An October 2023 service invoice says that the cambelt and camshaft pulley mechanisms had failed, this had damaged some of the surrounding components and the car needed a new engine, a full set of gaskets, drivebelt and tensioner, and a new air conditioning compressor.
- Mr B received the car back in October 2023 and the above were fixed. But after he drove it for 15 minutes an engine management light ('EML') was again showing.
- The car was returned to the dealership and a further service invoice from October 2023 confirms that an EML was present after the engine repair and gave some reasons why this could be.

- Mr B collected the car in December 2023 after a repair, but an EML was still present, and he returned it to the dealership.
- A service invoice from December 2023 confirmed the presence of the EML and that the car needed a second replacement engine which was arranged in due course.
- Mr B collected the car in April 2024, but the engine failed again in May 2024. Mr B hasn't driven the car since this time.

Mr B complained to Stellantis about the problems he had with the car. Stellantis considered this complaint, and it didn't uphold it. It said that it had tried to contact the supplying retailers and garages that had worked on the car. When it didn't receive a response from these it said it wouldn't uphold the complaint as it couldn't comment on the status of the vehicle due to this.

Mr B didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator upheld Mr B's complaint. She said that it was likely that the car wasn't of satisfactory quality due to the repeated engine failures. She thought that Mr B should be allowed to now reject the car. He should receive compensation for the time he has been without the car and for the distress and inconvenience this has all caused him.

Mr B essentially agreed with what the Investigator said, and Stellantis didn't respond. Because no agreement has been reached, 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.

The agreement in this case is a regulated personal contract purchase – so we can consider a complaint relating to it. Stellantis as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would need to meet the standard that a reasonable person would consider satisfactory – considering any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the car's history.

The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of this.

This car was four years old when Mr B acquired it, and it had travelled around 20,433 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.

But there's also a reasonable expectation that the vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new, Mr B should have been able to use it for a reasonable period before it needed significant work.

I've read and considered the whole file, but I'll concentrate on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it to reach what I think is the right outcome.

I believe the engine failures are the most important aspect of the car's quality. Whilst this was a used car, I think the first engine failure, when the car was around four and a half years old, and had travelled just under 32,000 miles, was premature. And this means that the car wasn't durable. I agree that it wasn't of satisfactory quality because of this, and it didn't conform to the mutual contract. Stellantis hasn't said that it disagrees with this (as it didn't respond to our Investigator) and so I don't believe I need to add anything further.

I've thought about whether Mr B should now be able to reject the car.

Section 24 of the CRA says that:

*'A consumer who has the right to a price reduction and the final right to reject may only exercise one (not both), and may only do so in one of these situations - after one repair or one replacement, the goods do not conform to the contract;'*

As I've said above there has been more than one attempt to repair the car as there have been multiple engine replacements. So, I think the car didn't conform to the contract after it was repaired, as the repair failed almost straight away. As far as I am aware the car still doesn't conform to the contract as it is not in a driveable state.

Added to this, whilst it wasn't unreasonable in these circumstances for the repairs to have been attempted, and Mr B agreed to them, they should have been done within a reasonable time frame and without significant inconvenience to Mr B. But this clearly didn't happen here. Mr B has been without the car, which is still not repaired, for a large part of the time he has been paying for it. The time the car has spent being repaired, or broken, is far more than what is reasonable, given the amount that Mr B was paying to Stellantis each month.

So, I consider that Mr B does have the right to reject the car. And the finance agreement should be unwound.

The repairs were made under the cars warranty and so Mr B didn't have to pay for these. He was kept mobile in courtesy car (or a hire car). But he says this was often a smaller vehicle than the car he was paying for, and they weren't suitable for his family's needs. I agree that this is likely to be the case.

Our Investigator recommended that any amounts Mr B had paid from 28 August 2023 to 18 September 2023, and any amounts he paid over £120 a month after this time, be refunded to him. This is because he didn't have a courtesy car when the car first broke down, but one was provided from the time in September 2023, albeit one that wasn't suitable for his needs. Given the problems Mr B has had with the car I think this is reasonable. Mr B agrees with this, and Stellantis didn't comment on it. So again, I don't need to provide further comment about this.

This has been a long running issue for Mr B, and I agree that this would have likely caused him some distress and inconvenience. Stellantis should have taken steps to resolve this much sooner. Mr B was inconvenienced on several occasions by having to take the car back and forth to the garage. And the car has been with the dealership for long periods while it was being repaired. I can also imagine it would have been very frustrating and stressful for the problems to keep re-occurring as they did. So, I think the £250 suggested by our Investigator for the distress and inconvenience he experienced is fair.

It's disappointing that Stellantis hasn't properly engaged with this complaint, either when Mr B first made it or while it has been under consideration by the Financial Ombudsman Service. I think this was very clearly a situation where it should have put things right at a much earlier point even without input from the dealership.

I've seen the offer that the dealership made to buy back the car but as it should now be rejected I've not considered this further. And I've also seen the correspondence in the early part of Mr B's use of the car about the costs he incurred when the car was recovered which may not have all be refunded to him (he says that some have). But I think the compensation below is adequate overall.

### **Putting things right**

I uphold this complaint against Stellantis and it should now:

- End the agreement with nothing further to pay.
- Collect the car at no cost to Mr B (if this has not been done already).
- Refund Mr B's deposit (that is any amount he paid himself and any part-exchange value that went towards him acquiring this car).
- Refund Mr B the finance repayments he made from 28 August 2023 to 18 September 2023. Refund any amounts Mr B had paid over £120 a month after 18 September 2023 till the time the agreement is ended.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement\*.
- Pay Mr B £250 for any distress and inconvenience caused.
- Remove any negative information that may have been recorded about the agreement from Mr B's credit file.

\*If Stellantis considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons I've explained, I uphold Mr B's complaint.

Stellantis Financial Services UK Limited should put things right by doing what I've said above.

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

Andy Burlinson  
**Ombudsman**