

The complaint

Mr M complains that the van he acquired financed through a conditional sale agreement with Stellantis Financial Services UK Limited trading as Stellantis Financial Services ("Stellantis") wasn't of satisfactory quality.

What happened

Mr M acquired a van financed through a conditional sale agreement with Stellantis he signed on 24 May 2024. The engine management light came on and the van broke down after two weeks. The van was repaired with the cost partially covered by the warranty. Mr M experienced further issues and raised a complaint with Stellantis. He wanted to reject the van and cancel the agreement.

Stellantis arranged an independent inspection which identified several faults which the engineer concluded were present or developing at the point of sale. Mr S agreed to have the dealership repair the van which required a reconditioned engine.

After Mr S collected the vehicle the engine management light came on again and he discovered an oil leak. He'd been told by the recovery service there was a problem with the engine. He was no longer driving the van as it is leaking oil excessively. Stellantis didn't issue a final response letter within eight weeks so Mr M brought his complaint to this service.

Our investigator concluded that the van wasn't of satisfactory quality and Mr M should be allowed to reject it. Mr M agreed with this view. Stellantis didn't respond so the complaint has come to me for a 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 agree with the investigator's conclusions for the reasons I've outlined below.

I trust Mr M won't take it as a discourtesy that I've condensed the complaint in the way I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr M's conditional sale agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Stellantis, as the supplier of the van, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr M. Whether or not it was of satisfactory quality at that time

will depend on several factors, including the age and mileage of the van and the price that was paid for it. The van that was supplied to Mr M was about seven years old, had been driven for 103,465 miles and had a price of £3,495. Satisfactory quality also covers durability which means the components within the van must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the van wasn't of satisfactory quality, I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the van wasn't of satisfactory quality. This is because a second-hand van that has been driven over 100,000 miles might be expected to have faults from wear and tear.

Is there a fault?

I'm persuaded there were and still are faults with the van. Mr M has provided copies of invoices for repair work and text messages relating to engine repairs. Stellantis commissioned an independent inspection which confirmed the faults reported in July were likely present or developing when Mr M took delivery of the van.

Is the van of satisfactory quality?

I've seen a copy of the independent report. The engineer visited on 22 August 2024 and the mileage of the vehicle at the time was 105,970. The engineer concluded:

- 1. We did observe faults with the vehicle in the form of the engine management light being illuminated on the dashboard and when revving the engine blue smoke was emitting from the exhaust.*
- 2. We would recommend further investigation into the form of a cylinder leak down test as the blue smoke would be consistent with worn piston rings or cylinder bores.*
- 3. Faults of this nature would be due to wear and deterioration and would not be unexpected on a vehicle of this age and mileage.*
- 4. Considering the vehicle has incurred 2,505 miles since purchase we would consider, based on our engineering perspective, that this fault would have been present or in the stages of development at the point of vehicle sale.*

The engineer also said there was evidence of previous repairs.

The inspection concluded the issues were likely present or developing at the point of supply. Stellantis are entitled to one opportunity to repair and Mr M agreed. This was carried out by the dealership. But the van has failed again and is now leaking excessive amounts of oil. Mr M has provided photos of the oil leak and engine management light. He has said the recovery service commented that the engine hadn't been put back together correctly but I haven't seen a report of this.

Where the evidence is incomplete, as is the case here, I must make my decision based on the balance of probabilities – that is, what I consider is most likely to have happened.

Stellantis hasn't issued a final response to Mr M or offered its view of the situation. Nor did it ask for further independent evidence. It also hasn't disputed Mr M's testimony. The vehicle has been repaired twice now and has failed again. Given the available evidence and Mr M's testimony it does seem likely the repair has failed. So I'm persuaded the van wasn't of satisfactory quality when supplied and Mr M should be allowed to reject it.

Putting things right

Mr M has had some use of the van so it wouldn't be fair to ask Stellantis to refund all payments. Mr M has had little or no use since September 2024 so Stellantis should refund payments made from 1 September. It is evident from Mr M's testimony and Stellantis response to his complaint and to this service that it hasn't moved to resolve the situation so I agree with the investigator that it should pay Mr M £300 for the distress and inconvenience.

To put things right Stellantis Financial Services UK Limited trading as Stellantis Financial Services must

- Collect the van at no cost or significant inconvenience to Mr M
- End the agreement with nothing further to pay.
- Refund the £500 deposit.
- Refund any repayments made which exceed those due up to August 2024.
- Apply 8% simple interest to all refunds.
- Pay £300 to Mr M for distress and inconvenience.
- Remove all adverse credit data reported.

My final decision

My final decision is that I uphold this complaint and Stellantis Financial Services UK Limited trading as Stellantis Financial Services must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 May 2025.

Maxine Sutton
Ombudsman