

## The complaint

Mr J complains that the car he acquired through Stellantis Financial Services UK Limited ("SFS") wasn't of satisfactory quality. He wants to reject the car and have the finance agreement cancelled.

## What happened

Mr J entered into a conditional sale agreement in January 2022 to acquire a used car. The cash price of the car was £13,000, and the total repayable was £16,723.20, and was to be paid through the credit agreement which was set up over a 60-month term with monthly payments of £278.72. At the time of acquisition, the car had already been driven just over 73,000 miles and was around six years old.

Mr J told us:

- the day after acquiring the car, he had to contact the supplying dealership because of an engine management light. The car was booked in that same day, and garage testing of the battery confirmed it was not holding its charge;
- while the car was being examined, further issues came to light including a stretched timing chain and an oil leak that was affecting the functionality of the gearbox;
- the supplying dealership escalated the matter to SFS because it was reluctant to undertake repairs and incur the associated costs;
- SFS instructed the supplying dealership to carry out the repairs and the work was completed under its warranty;
- the repairs failed within a short period of time, and the supplying dealership had to fit a new timing chain as the first one had been fitted incorrectly, and Mr J was without the car for many weeks;
- in the intervening period other faults had arisen – problems with the camshaft and its sensor and its valve – and these were also addressed by the supplying dealership;
- the car was returned to Mr J in July 2022, but the fault with the battery and its rapid draining reappeared. Mr J says at this time the car would regularly not start in the morning or in the evening after work because of problems with the electrics and the battery drain. He says this was an ongoing issue and happened at least weekly;
- the supplying dealership said it would carry out no further diagnostic work on the car because the three-month warranty it had provided when it supplied the car had now come to an end;
- he had to make use of another garage (I'll call this garage "G1") because of the ongoing and regular problems with the battery and its ongoing drainage which set off the car alarm;
- G1 undertook diagnostics on a number of occasions between May 2022 and August 2022 at Mr J's own expense. At each inspection fault codes were displayed, and the car continued to experience heavy battery drain; and whenever fault codes were resolved, new fault codes would appear a short time later;
- the ongoing issues with the battery and the car not starting made him late for work frequently;

- the issues with the battery and electrics presented itself within 24 hours of acquisition and it's till ongoing to this day – the car broke down in October 2023 and he had to use recovery services to move the car to G1, where it's been since;
- he's continued making the monthly payments due under his finance agreement but has been without the car and had to make other arrangements to get to / from work.

Mr J says the car sold to him was not of satisfactory quality and wasn't fit for purpose at the time of sale. He wants the conditional sale agreement to be cancelled.

SFS started investigating this complaint in February 2024, but after eight weeks it said Mr J could bring his complaint to this Service as it simply hadn't been able to provide him with a *final response*. But it did say it would like to reassure Mr J that it was continuing to look into the issues he'd raised with it.

SFS contacted this Service on 1 May 2024. It said it had recorded this complaint on its systems in February, but regrettably had not concluded its investigation at this time. And as a result, it had not provided Mr J with a response. It said it regretted that it was not in a position to set out its view of the case.

Our Service had already asked SFS for its business file on 16 April 2024, but very limited information was forthcoming. Mr J's complaint was assigned to one of our investigators and they contacted SFS. We asked SFS for its full file again on 30 April and again on 16 May – but our communications were not acknowledged, and a full business file and a final response was not forthcoming.

Our investigator looked at this complaint and said that she didn't think it should be upheld. She said there were clearly things that were wrong with the car, but she hadn't seen *enough* information to suggest that the car wasn't of satisfactory quality when it was supplied.

Mr J disagreed, so the complaint comes to me to decide. He says he's shown that the car was not of satisfactory quality - there was an ongoing electrical fault / battery drain issue that presented itself within hours of SFS supplying the car in January 2022. And although several other repairs have been completed, the work and diagnostics associated with the electrical and battery issues have not resolved the problems.

SFS hasn't responded or agreed to our Investigator's view sent on 29 May 2024, and it didn't respond when our Investigator contacted it again on 10 June.

My initial conclusions are set out in my provisional decision. In it I said I thought Mr J's complaint should be upheld because the car that was supplied to him was not of satisfactory quality, and I explained my reasoning as follows:

*"In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr J was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.*

*The Consumer Rights Act 2015 (CRA) says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, SFS are responsible. What's "satisfactory" is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances.*

*In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.*

*The CRA also says goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless SFS can show otherwise. But, where a fault is identified after the first six months, the CRA implies that it's for Mr J to show it was present when the car was supplied. So, if I thought the car was faulty when Mr J took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask SFS to put this right.*

*Mr J says the car has had battery issues since he first acquired it – he says within an hour of it being supplied. And despite the battery being replaced by the supplying dealership, the car has been plagued with electrical issues that appear to be a result of the battery, its charge, or some other aspect of the electrics. Although it was replaced, the new battery seems equally unable to hold its charge. And despite investigation and a series of diagnostics, carried out by two different garages – the supplying dealership and G1 – the root cause of the battery drainage issue remains a mystery.*

*I've seen evidence in the form of detailed and consistent testimony from Mr J along with a detailed timeline of events, as well as copy invoices and job sheets - detailing the investigations undertaken, the work completed, and the costs incurred – from both the supplying dealership and G1, that support the timeline of issues and events that he describes. And despite several attempts to obtain information and a full business file from SFS, no information has been forthcoming, and I've seen no evidence it's completed its investigation. Accordingly, I've no option but to base my decision on the evidence that I have seen.*

*It's clear to me that the problems associated with the battery and electrics arose within six months of Mr J entering into the conditional sale agreement with SFS and acquiring the car. I've reproduced here part of his detailed timeline:*

|           |   |
|-----------|---|
| 27 Jan 22 | Acquired car  |
| 28 Jan 22 | Reported battery fault to Supplying Dealership  |
| 15 Feb 22 | Battery issue/battery drain diagnosed – new battery installed   |
| 15 Feb 22 | Gearbox leak  |
| 15 Feb 22 | New timing chain fitted   |
| 23 Feb 22 | New camshaft sensor fitted  |
| 10 Mar 22 | Camshaft error – diagnostics  |
| 9 May 22  | Engine management light – diagnostics   |
| 30 May 22 | Camshaft replaced   |
| 30 May 22 | Timing chain replaced because previous fitting was incorrect  |
| 30 May 22 | Supplying dealership returns car – notifies Mr J that an electrical fault is setting the alarm off repeatedly |
| 01 Jun 22 | Car won't start due to battery drain  |
| 12 Nov 22 | Quiescent Relay box issues due to battery drain   |
| 7 Jul 23  | Alarm issues due to ongoing battery drain – diagnostics   |
| 4 Aug 23  | New relay and battery control module fitted to address battery drain  |

*It's my view that the ongoing issues with the electrics, which have continued after diagnostics and various repairs commenced during the first six months after acquisition, meaning that the car supplied to Mr J was not of satisfactory quality.*

*I now need to consider what would be fair and reasonable to put things right. Given that the car has been looked at a number of times, I don't think a reasonable person would suggest further investigations and possible repairs. I think Mr J should be able to reject the car.*

*I need to consider that Mr J has had some use of the car – he acquired it with a mileage of just over 73,000 miles, and I understand that the latest recorded mileage was nearly 92,000 miles, a difference of around 20,000 miles of usage.*

*I'm also going to take into consideration what he's told us about the worry and anxiety that this problem has caused him since he first acquired the car, and the inconvenience he's been caused having to use public transport or seek help from colleagues to get to and from work – whilst still making his monthly payment. So, I'm going to ask SFS to pay him some compensation in recognition of this".*

And I asked each party to let me have further information, by 4 March, that they'd like me to consider.

SFS provided no further comment or testimony.

Mr J said he accepted my provisional 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, and in the absence of any additional evidence or testimony from either party, I've decided to uphold this complaint for the reasons I previously gave.

### **Putting things right**

I direct Stellantis Financial Services UK Limited to put things right by doing the following:

- Ending the credit agreement with nothing further to pay.
- Removing any adverse information from Mr J's credit file in relation to this agreement.
- Collecting the car, at no cost to Mr J, and at a time and date suitable for him.
- Refund 20% of the monthly payments made by Mr J from January 2022 until October 2023 in recognition of his impaired usage of the car (taking into account any monthly payments already refunded)
- Refund all monthly payments since October 2023, when the car broke down and since when Mr J has been unable to use it.
- Pay 8% simple interest on the refunded amounts, per annum, from the time these payments were made to the date of settlement\*.
- Pay Mr J £750 for the distress and inconvenience caused.

\*HM Revenue & Customs requires Stellantis Financial Services UK Limited to take off tax from this interest. Stellantis Financial Services UK Limited must give Mr J a certificate showing how much tax has been taken off if he asks for one.

### **My final decision**

My final decision is that I uphold this complaint and require Stellantis Financial Services UK Limited to compensate Mr J as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 2 April 2025.

Andrew Macnamara  
**Ombudsman**