

The complaint

Miss H complains that Stellantis Financial Services UK Limited (“Stellantis”) acted unfairly in relation to an agreement she took out with them and also when she tried to extend it.

What happened

In June 2020, Miss H signed a hire agreement with Stellantis to acquire a brand-new car. The agreement was for 36 months. Within the agreement it said, “*Roadside Assistance Cover will be provided for the period of this agreement.*”

In May 2023 as the agreement was nearing its end, it was agreed for it to be extended by a further three months. In September 2023 when the car should have been collected, Miss H said she contacted Stellantis to discuss extending her agreement further as she was expecting delivery of another car on a different hire agreement around January 2024. Miss H said Stellantis wouldn’t agree to it. An email sent to Miss H at the time from Stellantis explained that they will only look to extend the agreement further if Miss H had a new vehicle on order with them.

Miss H said that eventually Stellantis did extend her agreement, but only for a short amount of time. And found they also completed a credit check on her. Miss H said they extended her agreement again until March 2024 and that they completed a further credit check. Miss H said these credit checks later impacted her ability to take out credit when she applied for home improvements.

Miss H said she needed to be recovered due to a flat tyre. So, she contacted the roadside assistance service which was stated on the agreement. When she contacted them, they said they had no record of her account or in relation to her car. So, she said she took out her own third-party roadside recovery cover. Miss H believed this was unfair as she continued to make monthly rentals towards the agreement and believed roadside recovery should also have been covered.

In March 2024, Miss H referred her complaint to our service.

Our investigator upheld the complaint. In summary she explained that Stellantis weren’t obligated to extend the hire agreement, and the roadside assistance wasn’t explicitly covered in an extension. However, the investigator didn’t think it was fair for Stellantis to have completed two credit checks on Miss H and that they should compensate her £150 for the error.

Stellantis responded and said they accepted our investigator’s findings which were to amend Miss H’s credit file and remove any traces of the searches completed in October 2023 and December 2023. And also pay Miss H £150 for the distress and inconvenience caused.

Miss H later got in touch as Stellantis were not able to credit her account, despite Miss H reconfirming the correct bank account details to make payment to. Stellantis also told Miss H that they had contacted a credit reference agency and couldn’t find the searches which Miss H said she seen on her file.

As Stellantis didn't respond to our investigator's requests to make the directions she said, the complaint was passed to me to decide.

I issued a provisional decision on 10 March 2025 where I explained why I intended to uphold Miss H's complaint. In that decision I said:

"I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Miss H complains about a car supplied to her under a hire agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Miss H's complaint about Stellantis.

The crux of Miss H's complaint is in relation to the extensions she requested to her agreement. Extensions are generally requested so that customers can continue to use a leased vehicle beyond the contract end date until when the collection of the car is requested. So, contract extensions are generally for short periods of time. And they can be extended as informal extensions, also known as an extended hire or rolling contract – or they can be extended more formally, where a modifying agreement may be sent to the customer detailing the new terms, along with a revised monthly rental.

Limited information has been provided by Stellantis in relation to this complaint. So, I can't be sure whether the contract extensions granted were informal (and so along the same terms as to the original hire agreement) or were formal (and so, along revised terms).

Stellantis has provided their contact notes which shows a questionnaire was sent to Miss H when a contract extension was requested. The notes suggest that Miss H was required to complete the questionnaire and send it back to Stellantis, where their underwriting team considered it before approving the extension. The notes aren't clear in showing whether a revised agreement was given to Miss H. And neither Stellantis nor Miss H has said revised agreements were signed on each occasion an extension was requested. So, from what I have seen, I think it is more likely the extensions were made on an informal basis.

Credit checks

Miss H supplied screenshots of her credit file to show that two hard credit searches were made by Stellantis when her agreement was extended. These were in October and December 2023. Our investigator concluded that these credit searches shouldn't have been made by Stellantis and that they should pay Miss H £150 for their mistake.

Stellantis accepted the investigator's view, but failed to action the settlement direction the investigator made, which is why the complaint was passed to me.

From correspondence I have seen Stellantis send to Miss H, they required updated bank account details to make the payment and they also say they couldn't find the searches on Miss H's credit file to request for them to be removed.

Generally, hard credit searches remain on an individual's file and may also impact a person's ability to obtain credit for around 12 months. After 12 months, they aren't visible on a file any longer. More than 12 months has now passed since the credit searches were

made. So, the direction our investigator made to Stellantis to request their removal is no longer needed.

However, I still do think Miss H should be compensated for Stellantis's mistake. Similar to our investigator, I don't think credit searches were needed to be made in October and December 2023. Whether the agreement was extended on an informal or formal basis, the benefit of extending a hire agreement is that a credit check is not needed, unlike when taking out a new hire agreement.

Considering the above, I think it is fair Miss H is compensated £150 for the inconvenience caused to her.

Roadside cover

Our investigator didn't uphold this aspect of the complaint and explained that roadside assistance wasn't explicitly covered in an extension. However, I'm minded to reach a different conclusion here.

The hire agreement Miss H signed in June 2020 said, "Roadside Assistance Cover will be provided for the period of this agreement."

Contact notes Stellantis provided also show an email response they sent Miss H in December 2023 where they said, "We can confirm you do have roadside assistance throughout your agreement..."

As I explained above, I think it is likely contract extensions were made on an informal basis. And, from what Stellantis told Miss H in December 2023 (during when Miss H had already extended the agreement), I think it would be reasonable to assume that she would expect it to be extended on the same terms as she originally agreed to, unless told otherwise. Stellantis hasn't shown that Miss H was told the terms of her extension had changed.

So, from what I have seen, I'm satisfied that Miss H should have been provided roadside cover during the time her agreement was extended.

Miss H has said there was an occasion where she required roadside assistance and had to incur her own costs for cover. Our service hasn't seen costs incurred here. However, if Miss H can show Stellantis evidence of costs incurred in recovering her car when it broke down where the roadside assistance would have benefitted her, then I would expect Stellantis to cover this cost.

I also think it would have been distressing for Miss H at the time to hear that she didn't have the roadside cover she thought was part of her agreement. It would have already been a distressing time as her car would have been undriveable. In light of this, I think Stellantis should pay Miss H £150 for the inconvenience caused.

In summary, I'm satisfied Stellantis needs to do more in this instance. I think they should pay Miss H £300 in total for the distress and inconvenience caused by this complaint. And if Miss H can evidence that she had to pay for roadside assistance herself, for example, by way of an invoice for when the car broke down – and it would have been a service the roadside assistance cover on her agreement could have helped with, then Stellantis should also pay this amount."

I set out that I intended to uphold this complaint. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to the provisional decision

Stellantis responded to my provisional decision and said they have no further submissions to make and that they agree to settle the case in the way that has been provisionally directed.

Miss H responded and among other things, provided an invoice which said a payment of £285 was required to be paid to a third-party breakdown company in December 2023. The description on the invoice provided details of a brand of tyre which was supplied.

Miss H also supplied a screenshot to show she took out a third-party breakdown recovery membership in January 2024, at a cost of £108. Miss H later provided an extract of her bank statement to show a payment of £108 was made.

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.

Stellantis were informed that our service was requesting further information regarding the payments Miss H said she made, and they have made no comments in relation to them, other than previously saying that they have no further submissions to make and agree to settle the case in the way I said.

From what Miss H has provided, I can't be sure whether payment was made by Miss H for the third-party breakdown cover. Miss H has only provided a cropped section of a £108 transaction made to a third-party breakdown recovery company. The cropped extract doesn't show which account the money was paid from and whose name the account was in.

However, on balance, and given the circumstances, I'm satisfied Miss H likely did make a £108 payment on 24 January 2024. Considering when the breakdown cover was taken out, I'm satisfied Miss H bought it as she thought she no longer had the necessary cover she required. And so, I'm satisfied Stellantis should pay that amount as had it not been for their mistake, then Miss H would not have needed to take out the additional cover.

Turning my attention now to the invoice Miss H has supplied of when she broke down in December 2023 and required the breakdown assistance, she thought she had with her agreement.

In the description section of the invoice, it shows a brand and type of tyre and the cost for it. Having looked at the agreement, I can't see that tyres – whether needing to be replaced through wear and tear or due to a puncture was covered. There is a table towards the end of the agreement which explains that there are additional options and levels of cover available and can be taken out. While replacement tyres are an optional level of cover that can be taken out, the agreement doesn't say that Miss H took out this additional level of cover here. So, from what I have seen, I'm not satisfied that Miss H would have received the benefit of the tyre replacement from the agreement, had it not been for Stellantis' mistake. So, it follows that I don't think Stellantis need to reimburse Miss H the £285 payment she made towards the tyre she replaced.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Stellantis Financial Services UK Limited to put things right by doing the following:

- Pay Miss H £300 for the distress and inconvenience caused.
- Reimburse Miss H the cost she incurred of £108 for a third-party membership cover taken out on 24 January 2024. *

* This amount should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Stellantis considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Miss H how much it's taken off. It should also give Miss H a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Stellantis has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 22 April 2025.

Ronesh Amin
Ombudsman