

## The complaint

Mr L is complaining about the quality of a vehicle supplied to him by Stellantis Financial Services UK Limited trading as Vauxhall Finance (Stellantis).

## What happened

In July 2022, Mr L acquired a new car via a conditional sale agreement with Stellantis. The agreement states the deposit was £6,476.73 (including a finance deposit allowance of £2,750) and Mr L borrowed £24,748.27 – the total cash price was £31,225. The agreement required Mr L to make 48 monthly payments of £350.12 and a final payment of £12,345. It also included an annual mileage limit of 8,000 with a charge of 9p per mile for excess miles.

In August 2023, the car broke down and was recovered to the dealership. They had the car for several months, providing Mr L with a loan car in the interim. Mr L got in touch with Stellantis in October 2023, asking for advice. They froze his payments for two months (adding them to the end of the contract) and paid him £250 to recognise the inconvenience he was going through. Mr L made it clear to Stellantis in November 2023 that he wanted to reject the car and wrote to the dealership in December 2023 asking to reject it. But neither party would agree to the rejection and the dealership returned the car at the end of January 2024, saying it had been fixed. The car broke down again the next day and had to be recovered to the dealership again. Mr L has not had the vehicle since.

Mr L was able to reject the car in February 2024. The dealership settled his agreement on his behalf and paid Mr L £2,939.75, which Mr L understood to be his deposit less the mileage charge of 31 pence per mile driven in the loan car. Mr L complained to Stellantis in March 2024, saying that when he'd spoken to them about the issues they'd told him that if a rejection was accepted he would get back all the money he'd paid to Stellantis – but this wasn't what had happened.

In their final response to Mr L's complaint, Stellantis said that because the fault occurred more than six months after Mr L acquired the car, any repairs were Mr L's responsibility. They then noted that the dealership had settled the finance agreement and refunded £2,939.75 to Mr L. They offered Mr L £150 for any inconvenience caused.

Mr L rejected Stellantis' offer and brought the complaint to our service. He was particularly upset that Stellantis had repeatedly told him that if a rejection was accepted they'd refund his payments, but this wasn't what had happened. He was also upset that he'd spent many hours researching the issues and contacting both the dealership and Stellantis to try to resolve the matter, taking time away from his family at a difficult time. And he said the breakdowns had been extremely stressful as they could have been fatal if he'd been travelling faster at the time they'd happened.

One of our investigators looked into Mr L's complaint. She concluded that the car had been of unsatisfactory quality at supply and Mr L therefore had the right to reject it. Our investigator said Stellantis should refund 25% of the monthly payments Mr L had made to them during the time he was using the loan car, together with interest at 8%. She also said they should refund the £250 he'd to pay for windscreen repair to the loan car which he

wouldn't have had to pay on his own car, and should pay a further £300 for the distress and inconvenience the matter had caused Mr L.

Mr L accepted our investigator's view but Stellantis didn't respond. Because of this, the matter came to me for a decision. I issued a provisional decision on 5 March 2025, which explained that I intended to uphold the complaint – but that my proposed redress differed from our investigator's.

Mr L accepted my provisional decision – and so did Stellantis. But Stellantis haven't yet paid Mr L the redress I suggested, so I'm now issuing a final decision to confirm what they need to do. As neither party had any comments on my provisional decision, the findings set out below are unchanged from my provisional findings.

### **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.

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

The Consumer Rights Act 2015 (CRA) is of particular relevance 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 CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, taking into account any description of the goods, the price and other relevant circumstances.

The CRA also says that a consumer has the right to reject goods if after one repair, the goods do not conform to the contract. So in this case, if I decide that the car remained of unsatisfactory quality after the repairs, then Mr L has the right to reject it.

Stellantis supplied Mr L with a brand new car. So it's fair to say that a reasonable person would expect the car to be fit for purpose and free from defects for a considerable period of time.

Instead, the car failed within 14 months of supply. Correspondence between Mr L, the dealership and Stellantis leave me in no doubt that there was a significant fault with the car. By January 2024, the dealership told Mr L they'd fitted the car with a new battery and then a new onboard charger and the car remained faulty.

In their final response to Mr L, Stellantis said they weren't liable for any faults with the vehicle because they'd occurred more than six months after they'd supplied it. However, I disagree. Mr L's testimony, which hasn't been disputed, is that the car "seized up" completely while he was driving. Stellantis' final response letter suggests Mr L had driven the car less than 11,000 miles by the time of the breakdown. The nature of the repairs the dealership carried out suggest that the problems with the car were fundamental and shouldn't have developed within fourteen months and 11,000 miles. So I'm satisfied the car wasn't of satisfactory quality at the point of supply.

Mr L told Stellantis that he wanted to reject the car in November 2023. But the CRA says that a supplier must be given one chance to repair or replace goods before a consumer can reject them. So I can't say Stellantis should have allowed Mr L to reject the car at that point. But the car broke down again within 48 hours of Mr L collecting it from the dealership. At that point, Mr L did have the right to reject the car, and so I think Stellantis should have treated the car as rejected from 1 February 2024.

In addition, the CRA says that the supplier should carry out repairs within a reasonable time and without significant inconvenience to the consumer. Stellantis were first informed of the problems in mid-October 2023, by which point the dealership had already had the car for over six weeks. So I don't think the repairs were carried out within a reasonable time.

Mr L was provided with a loan car during this period. This reduced the inconvenience to him. But the loan car did not meet Mr L's needs. He wasn't allowed to carry pets in the car, which meant he couldn't use it to take his dog for walks as he was accustomed to. There was a daily limit on the mileage he was allowed to do in the car, which restricted his mobility. And he disliked driving a car which had advertising on the side, as this car did. On top of this, the loan car didn't have certain features which he'd specifically selected when he'd chosen the vehicle financed by Stellantis. In particular, he's told us the heated seats made a significant difference to his wife's health, the rear electric windows meant he could take his grandchildren in the car without worrying about them opening the windows, and he'd chosen the alloys for their cosmetic appearance. So it's clear he was still significantly inconvenienced by the repairs. In addition, Mr L had to repeatedly ask the dealership and Stellantis for updates, further increasing the inconvenience to him.

Mr L has also complained that Stellantis had told him he'd get all his monthly payments under the agreement back and then not paid him anything. He feels they've "*weaponised*" him as he's done all the hard work to get the car rejected and they've benefitted from that. I can see that in an email to Mr L on 20 February 2024, Stellantis said "*we will refund any payments you have made to us*" so I can understand why Mr L feels he was misled. Stellantis shouldn't have sent this email as it created an unrealistic expectation of what Mr L would receive when the car was successfully rejected.

### **Putting things right**

When thinking about putting things right, I need to think about the position Mr L would have been in if things hadn't gone wrong. As I've set out above, I'm satisfied Stellantis supplied Mr L with a car that was unsatisfactory. So, after the failed repair, he had the right to reject it.

Mr L used the car that was supplied to him, without any significant problems, for nearly 14 months. It's fair he pays for that use of the car. I appreciate Stellantis led Mr L to believe that he would receive a refund of these payments, but this was an error and it wouldn't be fair to penalise Stellantis for this error. So Stellantis can retain the monthly payments Mr L made between 1 July 2022 and 31 August 2023.

Between 1 September 2023 and 11 March 2024, Mr L had use of the loan car. During this time, he made four out of the seven monthly payments that would ordinarily have been due. That's because Stellantis deferred the payments for November and December 2023 to the end of the agreement – so they were settled by the dealership instead. And the last payment collected under the agreement was on 8 February 2024. So Mr L effectively made four months' worth of payments for just over six months' usage – a discount of around 35%. I'm satisfied this is a fair discount to take into account the impaired usage Mr L had as I've described above – the loan car wasn't of the same standard as the car Stellantis had supplied and didn't meet Mr L's needs because of the restrictions in usage.

Mr L was entitled to a refund of his deposit when he rejected the car. The dealership deducted from this the mileage charge for use of the loan car. I don't think Mr L should have to pay the mileage charge for use of the loan car – if the car Stellantis had supplied had been of satisfactory quality, he wouldn't have had to pay this, so it's a financial loss that he's incurred.

However, the conditional sale agreement limited Mr L to 8,000 miles each year with a charge of 9p per mile for any miles above this. By March 2024, Mr L had travelled around 16,600

miles (taking into account the mileage on both vehicles). This is around 3,200 miles more than would have been allowed under the agreement for 20 months, which at 9p per mile equates to around £288.

So, Stellantis should refund to Mr L the amount that was deducted from his deposit by the dealership for mileage less £288.

Mr L incurred a further financial loss in relation to the loan car in January 2024 as he had to pay a £250 excess for a repair of a chip to the windscreen. I've seen that Mr L wouldn't have had to pay this excess under his own insurance policy. So this is another cost that Mr L wouldn't have had to bear if the car had been of satisfactory quality and Stellantis should refund it to Mr L.

Finally, it's clear Mr L has experienced a significant amount of upset and stress as a result of the unsatisfactory quality of the car. The breakdowns were clearly very worrying events. Mr L then spent around six months having to repeatedly contact the dealership and Stellantis for updates on the vehicle, taking time away from his unwell wife and the rest of his family to do so. And when Stellantis didn't deal with the rejection properly, he had to spend further time pursuing a complaint. Stellantis paid Mr L £250 around November 2023 and then offered a further £150 which Mr L rejected. I think it's fair they pay Mr L a further £200 to reflect the distress and inconvenience caused by the whole situation.

### **My final decision**

As I've explained above, I'm upholding Mr L's complaint. Stellantis Financial Services UK Limited trading as Vauxhall Finance need to do the following to settle the matter:

- End the agreement with nothing further to pay if this hasn't already been done;
- Refund to Mr L the amount the dealership deducted from his deposit for the loan car mileage, less £288;
- Refund the £250 excess Mr L paid for the chipped windscreen on the loan car;
- Pay Mr L 8% simple interest per year on each of these two refunds, calculated from the date of each payment/deduction to the date of settlement;
- To the extent not already paid by the dealership, pay Mr L 8% simple interest per year on his deposit, from the date the deposit was paid to the date the dealership refunded it;
- Remove any adverse information relating to the agreement from Mr L's credit file; and
- Pay Mr L a further £200 to reflect the distress and inconvenience caused by the failed repairs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 May 2025.

Clare King  
**Ombudsman**