

The complaint

Mr F is unhappy that a car supplied to him under a conditional sale agreement with Stellantis Financial Services UK Limited was of an unsatisfactory quality.

What happened

In March 2023, Mr F was supplied with a new electric car through a conditional sale agreement with Stellantis. He paid an advance payment of £15,000 and the agreement was for £20,385 over 60 months; with an initial payment of £340.21 and 59 payments of £339.75.

Mr F said he had problems with the car that started around three months after the car was supplied to him – the 12v battery would continually discharge. Despite the car going back to the supplying dealership for repair on a number of occasions, Mr F said the fault was still present. And, in March 2024, he asked Stellantis to be able to reject the car.

The dealership collected the car and the V5C document from Mr F in May 2024. However, the rejection was never processed, and Mr F has continued to pay his monthly payments to Stellantis, as well as continuing to pay the insurance premiums on the car. He complained to Stellantis about this, but they didn't respond to the complaint. So, Mr F brought the matter to the Financial Ombudsman Service for investigation.

Our investigator said that the faults with the car made it not of a satisfactory quality when it was supplied to Mr F as it wasn't sufficiently durable. So, they thought that Stellantis should allow for the car to be rejected; refund the deposit Mr F paid; refund 15% of the payments Mr F made between January and March 2024, when the car wasn't working as it should; refund 100% of the payments Mr F has paid after March 2024; refund £120 of the insurance payments Mr F had paid; and pay Mr F an additional £300 for the distress and inconvenience he's been caused.

Stellantis didn't respond to the investigator's opinion. However, the dealership wrote to Mr F to tell him that they had failed to be able to replicate the fault with the car; that the car remains with them, and that it is being checked daily, to see if the fault occurs. Mr F has also said that the dealership has offered to provide him with a trade-in price but haven't done so.

I issued a provisional decision on 15 April 2025, where I explained my intention to uphold the complaint. In that decision I said:

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

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 F 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, Stellantis 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 implies that 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 Stellantis can show otherwise. So, if I thought the car was faulty when Mr F took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Stellantis to put this right.

Mr F hasn't provided any evidence of the fault with the car that was supplied to him. However, he has complained to both the dealership and Stellantis about a battery fault that's been present from around three months after the car was supplied. As I've said above, where a fault is present within the first six months, it's for Stellantis to show that the car was of a satisfactory quality when it was supplied.

As such, I would expect them to have provided something, for example an independent engineer's report, that shows this. However, they haven't done so. Instead, I have a letter from the dealership, dated 10 September 2024, where they tell Mr F they haven't been able to identify a fault "after several different attempts over the last few months." Given that the dealership took the car from Mr F on 8 May 2024, I don't consider that a general letter written some four months later is sufficient evidence that the car was of a satisfactory quality when it was supplied.

I've also seen that Mr F has said the dealership attempted to repair the car in March 2024, and this repair was unsuccessful. Neither Stellantis nor the dealership have denied that a repair took place, so, on the balance of probabilities, I'm satisfied that something was attempted. What's more, after Mr F complained of an unsuccessful repair and asked to reject the car, the car and V5C were collected by the dealership. While the September letter from the dealership has said no fault could be rectified, it also said the car was now with their sales department. When this is taken alongside the collection of the V5C, it implies that the dealership accepted rejection of the car.

Finally, I've checked public records, and these show the V5C was last issued in 2024, something that's not consistent with when the V5C should've been issued to Mr F when he was supplied with a brand-new car in March 2023. And the records show the vehicle road tax expired on 8 May 2024. These facts seem to reflect the car being transferred back into the ownership of the dealership in early 2024, where it remains. Again, these facts imply the dealership accepted rejection of the car.

For completeness, I've also considered what is likely to have happened if the dealership didn't accept rejection of the car. Mr F has been complaining about ongoing faults, and section 24(5) of the CRA allows the dealership/Stellantis a single chance of repair. If this single chance of repair didn't take place in March 2024 (and the limited evidence I've seen would imply that it did) this would provide an explanation as to why the dealership took the car in May 2024 – to identify and repair a fault with the car.

Section 23(2) of the CRA states that "If the consumer requires the trader to repair or replace the goods, the trader must (a) do so within a reasonable time and without significant inconvenience to the consumer." It wasn't until September 2024 that the dealership

contacted Mr F to let him know they hadn't been able to identify a fault with the car. But they didn't ask him to collect the car, instead implying they would keep it and continue testing it. This response to Mr F wasn't issued within a reasonable timeframe and, as Mr F had been and remains without use of a car he was still paying for, the ongoing issue was causing him significant inconvenience.

I'm therefore satisfied that one of these situations applies:

1. the dealership accepted rejection of the car by collecting both the car and the V5C after Mr F had both complained about ongoing faults and asked to be able to reject the car; OR
2. the attempt to fix the car in March 2024 was unsuccessful so, under section 24(5) of the CRA, Mr F is able to reject the car, something he requested on 30 March 2024; OR
3. the dealership have failed to comply with section 23(2)(a) of the CRA, by not repairing or returning the car to Mr F within a reasonable timeframe and without significant inconvenience, thereby giving him the right to reject the car.

As such, regardless of what happened, given the limited evidence available to me I'm satisfied that Mr F has the right to reject the car, and this rejection should be from the date the car was collected by the dealership. As Mr F continues to pay Stellantis for the car, they must now do something to put things right.

Mr F asked to reject the car on 30 March 2024, and it was collected by the dealership on 8 May 2024. The investigator has said that Mr F should be refunded 15% of his payments between January and March 2024, and 100% of his payments after this date, to reflect his impaired usage of the car. However, I don't agree with this, and I'll explain why.

Mr F was able to use the car while it was in his possession. Because of this, I think it's only fair that he pays for this usage. As such, because Mr F was able to use the car up to the point it was collected by the dealership, and it remained available for him to use between the date he asked to reject it and the date of collection, he should only receive a refund of the payments he's received after it was collected.

With regards to a proportion of the payments being refunded to Mr F while the car was in his possession, while Mr F has said there were issues with the car that affected his usage, he's not provided any evidence of this. As such, instead of refunding some of the payments, I'll consider the impact of the ongoing issues separately.

The investigator also said that Mr F should receive a refund of £120 of his insurance costs. However, this was only based on what Mr F had to pay in insuring a car he wasn't in possession of up to September 2024. And things have moved on from there. As such, I'm satisfied that Mr F should receive a refund of his insurance costs from when the car was collected up until when the agreement is actually terminated.

Finally, I think Mr F should be compensated for the distress and inconvenience he was caused by the above. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator also recommended Stellantis pay Mr F an additional £300, to recognise the distress and inconvenience he'd been caused. And having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I think this is significant enough to recognise the worry and upset Mr F would've felt by having to arrange for the car to be repaired, and by this repair being unsuccessful. And I think it also fairly reflects the fact that Mr F was further inconvenienced by the ongoing issues he suffered with the car.

Therefore, if they haven't already, I'm intending to direct Stellantis to:

- *end the agreement with nothing more to pay;*
- *collect the car at no cost to Mr F;*
- *remove any adverse entries relating to this agreement from Mr F's credit file;*
- *refund the deposit Mr F paid (if any part of this deposit is made up of funds paid through a dealer contribution, Stellantis is entitled to retain that proportion of the deposit);*
- *refund the equivalent of the payments Mr F has made from 8 May 2024 to when the agreement is terminated;*
- *upon receipt of proof of payment, refund the car insurance premiums Mr F has paid for the period 8 May 2024 to when the agreement is terminated;*
- *apply 8% simple yearly interest on the refunds, calculated from the date Mr F made the payment to the date of the refund[†]; and*
- *pay Mr F an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Stellantis must pay this compensation within 28 days of the date on which we tell them Mr F accepts my final decision. If they pay later than this date, Stellantis must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment[†]).*

[†]If HM Revenue & Customs requires Stellantis to take off tax from this interest, Stellantis must give Mr F a certificate showing how much tax they've taken off if he asks for one.

Responses

Mr F accepted my provisional decision without any further comment.

Stellantis again chose not to respond to any communication about Mr F's complaint.

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.

Mr F has accepted my provisional decision and, as Stellantis haven't said anything to the contrary, I'm taking their lack of comments to mean they don't object to my provisional decision.

As such, I see no compelling reason why I shouldn't now adopt my provisional decision as my final decision. And Stellantis need to do something to put things right.

Putting things right

For the reasons stated in my provisional decision (detailed above), Stellantis should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr F;
- remove any adverse entries relating to this agreement from Mr F's credit file;

- refund the deposit Mr F paid (if any part of this deposit is made up of funds paid through a dealer contribution, Stellantis is entitled to retain that proportion of the deposit);
- refund the equivalent of the payments Mr F has made from 8 May 2024 to when the agreement is terminated;
- upon receipt of proof of payment, refund the car insurance premiums Mr F has paid for the period 8 May 2024 to when the agreement is terminated;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr F made the payment to the date of the refund[†]; and
- pay Mr F an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Stellantis must pay this compensation within 28 days of the date on which we tell them Mr F accepts my final decision. If they pay later than this date, Stellantis must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment[†]).

[†]If HM Revenue & Customs requires Stellantis to take off tax from this interest, Stellantis must give Mr F a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr F's complaint about Stellantis Financial Services UK Limited And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 28 May 2025.

Andrew Burford
Ombudsman