

## The complaint

Mr A complains that a car he acquired through a hire purchase agreement financed by Stellantis Financial Services UK Limited ('Stellantis') is of unsatisfactory quality.

## What happened

In June 2024, Mr A took out a hire purchase agreement to finance a used car. The car cost £4,495 and Mr A made an advance payment of £300. The remaining balance was due to be repaid in 31 instalments of £165.52. The car was supplied by a garage I'll refer to as "M" and it was over nine years old at the time of supply. The MOT undertaken on 11 June 2024 (the day the car was supplied to Mr A) showed the mileage as 136,452.

Mr A said he started experiencing problems with the gearbox the day after he acquired the car. He struggled with gear changes and lost first and third gear altogether. Mr A later discovered that all airbags had been deployed and at least one of them was torn. There were further fault codes relating to the steering column lock and the restraints control module. Mr A raised a complaint with Stellantis in late June 2024. And on 2 July 2024 Mr A wrote to Stellantis to reject the car. When Stellantis didn't provide a complaint response to Mr A within eight weeks Mr A contacted our service for help.

One of our investigators asked Stellantis to arrange for an independent inspection of the car, as the fault had occurred so soon after Mr A acquired it. Stellantis didn't respond, and so our investigator went on to consider Mr A's complaint based on the available evidence. This included photos of the airbags, fault codes and messages and emails to Stellantis, the finance broker and M.

The investigator concluded that Mr A was supplied with a car that wasn't of satisfactory quality. She said he should be entitled to reject the car and set out the steps she thought Stellantis should take to put things right for Mr A. Stellantis didn't respond to our investigator, so the complaint was passed to an ombudsman to decide – and it came to me.

I issued a provisional decision on 3 March 2025. In that I said:

*"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 intend to uphold this complaint.*

*When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Stellantis here – needed to make sure the goods were of 'satisfactory quality'.*

*Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage, and description. And, as it's of particular relevance here, it also includes the car's roadworthiness.*

*Mr A acquired a used car that cost £4,495. It was over nine years old and had around 136,452 miles on the odometer. I think a reasonable person would expect a car of that age and mileage to have more wear and tear than a new car. And that it may need repair or maintenance sooner than a newer car would.*

*What I need to consider here is whether the car was of satisfactory quality at the time it was supplied. There are two main concerns Mr A raised about the quality of the car, which I'll consider in turn.*

*I should say here that the evidence in this case is limited. Neither Stellantis nor Mr A submitted an independent report on the condition of the car. Where the evidence is incomplete, inconclusive or contradictory, I make my decision on the balance of probabilities – that is, what I consider is most likely to have happened given the evidence that is available and the wider surrounding circumstances.*

### *Problems with the gearbox*

*Mr A said the problem with the gearbox became apparent the day after he took delivery of the car. He contacted Stellantis around ten days later, after he'd been in touch with M and the finance broker. Mr A said M recommended making a warranty claim, while the broker said he needed to pay for an inspection of the car. Mr A said he couldn't afford either option, having just paid for the deposit on the car, insurance and road tax.*

*Given how soon the problems with the gearbox occurred it's reasonable to assume they were present at the point of supply. As the trader under the CRA, I'd have expected Stellantis to support Mr A when he got in touch to let them know about the problem – including arranging for an inspection of the car and issuing a complaint response. It doesn't appear that this happened here.*

*The available evidence shows Stellantis contacted the broker about arranging an inspection, but as set out above, it was Stellantis' responsibility to do so. Our investigator gave Stellantis another opportunity to have the car inspected, but they didn't respond to her. Stellantis haven't set out their stance on the condition of the car at all nor have they provided evidence to show they supplied a car that was of satisfactory quality.*

*On the other hand, I found Mr A to be credible and consistent in his submissions. He sent us screen shots of messages, emails and letters he sent to both M and Stellantis. These clearly set out the problems he was experiencing with the gearbox. Mr A told our investigator the car became increasingly unsafe to use, and so he registered it as off the road (SORN). He's since bought a different car with the help from family. I think these actions are consistent with what Mr A has said about the problems with the car and his concerns about being able to drive it safely.*

*In addition, it appears that there are known faults with the gearbox that was installed in this car. The manufacturer made a modified gearbox to install in affected cars to help with the juddering issues which occurred over time due to the dry clutch assembly. It's unclear in this case whether this car has had a modified gearbox installed.*

*Based on what I've seen so far, I'm persuaded the car Stellantis supplied had problems with the gearbox. Despite the age and mileage of the car, I don't think a reasonable person would consider a car as being of satisfactory quality given the gearbox issues that presented themselves the day after supply. Given the short time*

*Mr A had the car I think it's unlikely that he contributed to the problem. For that reason, I've provisionally found that the car Stellantis supplied to Mr A wasn't of satisfactory quality.*

#### Airbags and other fault codes

*Although I've already reached a provisional finding that the car that was supplied to Mr A wasn't of satisfactory quality because of the gearbox issues, I've gone on to consider what Mr A has said about the airbags and other fault codes.*

*Mr A said a family friend who is a lorry mechanic used an on-board diagnostic scanner in late June 2024 to see if they could identify what was going on with the car. He's provided screen shots of the following fault codes:*

- *B1026-87 – a steering lock malfunction*
- *U0151-00 – loss of communication with the restraints control module*
- *B0004-11 – driver's knee bolster circuit resistance deployment control*
- *B0020-13 and B0028-13 – left and right-side airbag deployment control*
- *B0021-13 and B0029-13 – left and right curtain deployment control 1*
- *B0091-93 – left side restraints sensor 1*

*Mr A said he was concerned that the car had been in an accident and had been repaired. He went on to check the condition of the airbags and found them torn. Mr A has sent photos of the airbag on the driver's side. The photos carry a date stamp of 20 June 2024, and I can see the airbag appears to have long horizontal rips across it. There doesn't appear to have been any further investigation into the remaining fault codes.*

*I'm mindful that the car passed its MOT on the day it was supplied to Mr A. But it had failed the MOT the previous day with some major defects noted, one of them being the supplementary restraint system warning lamp indicating a fault. The diagnostic scan Mr A's friend undertook in late June 2024 showed fault codes relating to the restraint system. I can't be sure what repairs were undertaken to rectify the problems the first MOT highlighted. But given the fault codes a diagnostic scan showed within a couple of weeks of supply, it appears that the repairs didn't fully address the problem.*

*I also can't be sure whether the airbags were checked as part of the MOT. But the photos Mr A sent us show that at least one is torn. I haven't seen anything to suggest that Mr A was involved in a collision that caused the airbags to deploy in the nine days before the pictures were taken. For that reason, I think it's likely the car was supplied with torn airbags – meaning the car wasn't road safe when it was supplied to Mr A.*

*Cumulatively the evidence I've seen shows Mr A was supplied with a car that wasn't roadworthy. And not being roadworthy made the car not of a satisfactory quality.*

#### Remedy

*The CRA sets out the remedies available to consumers if the goods they were supplied with don't conform to contract. It says that a consumer has a 30-day short-term right to reject goods that are of unsatisfactory quality. In this case, that's 30 days from the date the car was delivered to Mr A. He has provided evidence that he notified both the dealer and Stellantis that he wanted to exercise his short term right*

*to reject within the required time frame. Having reached a provisional finding that the car had faults and therefore wasn't of satisfactory quality, I think Mr A should now be allowed to exercise his right to reject.*

*That said, even if Stellantis can show now that the car was of satisfactory quality at the time of supply, I'm inclined to say that Mr A should retain the right to reject the car. I'll explain why. The evidence I've seen from both parties show that Mr A first told Stellantis of the problems he was experiencing in June 2024.*

*The CRA sets out that Stellantis, as the trader, is required to carry out any repair within a reasonable time and without significant inconvenience to the consumer. If it doesn't do so, then the consumer is entitled to reject the car. Despite Mr A contacting Stellantis in June 2024, I haven't seen anything to suggest that Stellantis provided Mr A with a reasonable level of assistance. Stellantis haven't provided a substantive response to any of the issues raised, including our investigator's assessment. I don't think this is a reasonable timeframe.*

*If Stellantis produces evidence to show they did assist Mr A following his complaint, I'd be happy to consider it alongside any other evidence either party may wish to provide in response to this provisional decision."*

Mr A accepted my provisional decision. Stellantis didn't respond.

### **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.

As neither party has raised any additional arguments or provided further information for me to consider, I've got nothing further to add – my findings are unchanged from those set out above.

Turning to what Stellantis must do to resolve this complaint; the starting point is that Stellantis should arrange for the collection of the car at no cost to Mr A. They should then end the agreement with nothing further to pay. Mr A paid a deposit of £300, and this should be returned to Mr A.

Mr A said he used the car for a while to get to and from work while he was looking for a new car, but it was declared SORN in late July 2024. He said the car's current mileage is around 137,242, so he's travelled around 790 miles in around six weeks. I think it's fair for Mr A to pay for that use. Mr A didn't have use of the car from late July 2024, and so Stellantis should refund the monthly rental costs from August 2024 onwards, with applicable interest.

Mr A told us of the impact being supplied with a faulty car had on him. He said he had a young family, including a newborn baby, and so he relied on the car. When things went wrong and Stellantis didn't assist him, Mr A had to approach family for help with buying a new car. Having to repay two cars at the same time stretched Mr A financially. All things considered I think Stellantis should pay Mr A £250 to compensate him for the upset and inconvenience caused.

### **Putting things right**

In summary, Stellantis should now do the following to resolve this complaint:

- end the agreement with nothing further to pay,

- collect the car, at no cost to Mr A,
- refund each monthly rental payment Mr A paid from 1 August 2024 to the date Stellantis collect the car;\*
- refund Mr A's advance payment of £300\*,
- pay Mr A £250 compensation for the distress and inconvenience caused, and
- remove any negative information regarding this agreement from Mr A's credit file.

\* Stellantis should pay 8% simple yearly interest on these amounts from the date of payment until the date of settlement. If Stellantis considers that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr A how much they've taken off. They should also give Mr A a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

I uphold Mr A's complaint and direct Stellantis Financial Services UK Limited to take the steps outlined above.

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

Anja Gill  
**Ombudsman**