

The complaint

Mr D complains about the quality of a car Stellantis Financial Services UK Limited (Stellantis) supplied to him under a hire purchase agreement.

What happened

The facts of this case are familiar to both sides, so I don't intend to repeat them again in detail here. Instead, I'll provide a summary.

Mr D entered into a hire purchase agreement with Stellantis on 25 March 2024 to purchase a car. The cash price of the car was £16,910.01. This was funded by an advance payment of £1,500.31 and £15,409.70 in finance. The total amount due under the agreement, including interest and charges, was £23,456.79 to be repaid through 47 monthly instalments of £271.84, followed by a final payment of £9,160 should Mr D wish to retain the car.

In April 2024, Mr D began experiencing problems with the vehicle when the oil warning light was illuminated. Mr D topped up the oil twice, however the warning light continued. As a result, he contacted the selling dealership (Business E) who had the vehicle booked in for 24 May 2024. It was returned to Mr D on 29 May 2024. Mr D says that he was advised there was *no record/outcome of an issue however, due to no warning lights in good faith [he] believed the problem [had been] investigated and fixed*.

In July 2024 the oil warning light returned, and the oil was topped up again. Mr D contacted Business E who booked the car in for 20 August 2024.

On 27 August 2024, Mr D was advised the vehicle required a new engine due to total engine failure and that the turbo had also failed. Mr D says he was advised that these repairs would be covered by the manufacturer's warranty. It is my understanding the vehicle has remained with Business E since 20 August 2024.

On 13 September 2024, Mr D raised a complaint with Stellantis about the quality of the vehicle. It is my understanding that, at this time, Mr D was seeking the repair costs to be covered by way of resolution.

However, having been advised that the manufacturer rejected the warranty claim due to an incomplete service record, Mr D contacted both Stellantis and Business E on 18 October 2024 to express his desire to reject the vehicle under the Consumer Rights Act 2015 (CRA).

In the months that followed there appears to have been quite a bit of dialogue between Mr D, Stellantis, Business E and the manufacturer. In particular, I note that in early December 2024 Stellantis contacted the manufacturer to advise as follows:

We have reviewed all the information and it has been discussed with management. We feel it is in the customer's best interest that the vehicle is rejected.

Due to the concerns raised and that the vehicle has been in to the dealership on 3 separate occasions, in this instance, rejection is the best option.

The manufacturer did not agree that Mr D should be entitled to reject the vehicle.

It appears no final response letter has ever been issued and, as no resolution to the complaint was forthcoming, Mr D referred his complaint to our service in late February 2025.

In March 2025 the manufacturer did offer to cover the complete cost of repairs and to reimburse Mr D for two months of the finance payments. This offer was declined by Mr D as he wanted to reject the vehicle.

One of our investigators looked into what had happened and, prior to completing his investigation, reached out to Stellantis to confirm if its position as stated in its email to the manufacturer in early December (i.e. that Mr D should be entitled to reject the vehicle) remained the case. Unfortunately, Stellantis did not respond to our investigators email or subsequent chaser.

As a result, in May 2025, our investigator issued his findings in which he upheld the complaint. In short, our investigator said that there was sufficient evidence to suggest that the problems were present or developing at the point of sale and that attempted repairs had proved unsuccessful. What's more, our investigator said that *the car hasn't been sufficiently durable as its major component didn't last a reasonable period of time*. Our investigator, therefore, concluded that Mr D should be entitled to reject the car and receive redress.

Mr D's personal representative accepted the investigators findings on his behalf.

Unfortunately, Stellantis did not respond to our investigator.

As a resolution could not be reached, the complaint has been passed to me to review afresh.

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, I've reached the same outcome as our investigator and for the same reasons. In fact, I don't have a great deal to add to what our investigator had to say. I'll explain why.

However, in doing so, I won't comment on everything. Instead, I'll comment only on what I think is required to reach a fair and reasonable answer in this case. This is not intended as a discourtesy to either party, but it reflects the informal nature of this service in resolving disputes.

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

The CRA is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The CRA says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

Mr D's claim is that the car Stellantis supplied to him failed to meet at least some of these requirements, and therefore that it was not of satisfactory quality.

Stellantis did not supply Mr D with a new car here. The car was around two years old and had travelled over 37,500 miles at the point of supply. And while it was not an inexpensive car – the price was a good deal less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a high risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users. In other words, there's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn. I've kept this in mind.

I don't think there's any dispute that Mr D has experienced problems with the car soon after he took ownership of the vehicle - that has been well evidenced by both his testimony and the information he's sent us, including the job cards dated 1 March 2024, 24 May 2024 and 20 August 2024.

And, after several visits to Business E to get the matter resolved, it was determined that the car needed significant repair work - totalling £9,727.82. A job card dated 20 August 2024 reads:

Engine + all associated parts, inter cooler + all associated parts, Turbo + all associated parts. Due to timing belt destroying engine causing oil to circulate engine where it shouldn't be.

Further, there doesn't appear to be any dispute that Mr D notified Stellantis of these problems within six months of supply.

The CRA says that, 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.

In this case, Stellantis has not presented any evidence to rebut the assumption that these faults were present or developing at the point of supply.

Bearing in mind the cost of the car, I'm not minded to conclude that a car that in less than six months of ownership – during which time it has been driven less than 4,000 miles – requires a replacement engine, inter cooler and turbo, could reasonably be said to be of satisfactory quality.

I've no reason to think that these problems are attributable to Mr D's use of the car. Noting the timeline and additional mileage, the issues with the car suggest that Stellantis is liable to Mr D for a breach of the contractual term to supply a car of satisfactory quality.

In short, I'm satisfied that available evidence supports that the car Stellantis supplied to Mr D did not meet the CRA requirements in respect of satisfactory quality, and that the condition has persisted despite an attempt at repair.

What's more, like our investigator, I've concluded that based on the limited time that Mr D has had the car, the car supplied by Stellantis was not suitably durable. Put simply, a reasonable person would not expect to experience these problems – including a complete engine replacement - at such significant cost in a car of this age, and so soon. So, I don't think the car was durable and it therefore wasn't of satisfactory quality when supplied.

I now need to consider what would be fair and reasonable to put things right.

While I note that Stellantis did not itself attempt the repair, I'm satisfied it had the opportunity to do so when the problem with the car resurfaced (and was diagnosed) in August 2024. But it declined that opportunity. What's more, it has now been around nine months since Mr D reported the issues with the car and the car hasn't yet been repaired. Therefore, I'm not satisfied that repairs have been completed or carried out within a reasonable time or without significant inconvenience.

I don't consider that Stellantis dealt with Mr D's concerns fairly, and in light of all of this I'm satisfied that the appropriate way to address this is to uphold Mr D's complaint and award redress along the same lines to that proposed by our investigator in his assessment – the crux of this being Mr D should be entitled to reject the car. A position which Stellantis, seemingly, agrees with.

It is my understanding that the car has been off the road and undrivable since 20 August 2024 and, since this date, Mr D hasn't been supplied with a courtesy car. As such, he was paying for goods he was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as Stellantis failed to keep Mr D mobile, I'm satisfied they should refund the payments he's made towards the agreement since 20 August 2024.

In addition, I'm satisfied that Mr D has been inconvenienced by what has happened – including having to attend Business E on at least two occasions and having to regularly chase Stellantis for updates with regards to a resolution to his concerns which dragged on for many months. Stellantis should compensate him for this. Like our investigator, I think £300 is a fair way to reflect the distress and inconvenience caused.

Putting things right

To settle this complaint, I direct Stellantis to take the following steps:

1. End the agreement with nothing further to pay and with an effective date of 20 August 2024, ensuring that his credit file reflects the finance agreement as fully settled from that point;
2. Collect the car (if it is, in fact, in Mr D's possession) at no cost and minimal inconvenience to Mr D;
3. Refund the deposit/advance payment Mr D paid (£1,500.31);
4. Refund all repayments made towards the agreement from 20 August 2024 onwards;

5. Pay 8% simple yearly interest on the refunds (points 3 and 4), calculated from the date of payment until the date of settlement;
6. Remove any adverse entries relating to this agreement from Mr D's credit file;
7. Pay Mr D 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.

My final decision

For the reasons I've set out here, my final decision is that I uphold Mr D's complaint. To resolve matters Stellantis must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 July 2025.

Ross Phillips
Ombudsman