

The complaint

Miss P complains that she was mis-sold a hire purchase agreement for a vehicle financed by Stellantis Financial Services UK Limited ('Stellantis').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

In October 2022 Miss P acquired a car via a personal contract purchase agreement which is a type of hire purchase agreement with Stellantis. The car was around four years old at the time, had covered around 12,000 miles and the cash price was £11,026.

Miss P says she was mis-sold the agreement because amongst other things she was unaware of the balloon payment and wasn't given other alternative options to finance.

Miss P made a complaint, but it wasn't upheld. The complaint was referred to our Service and Our Investigator looked into things. He didn't think Stellantis had done anything wrong and so didn't suggest it needed to do anything to put things right.

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 overall conclusions as the Investigator, and for broadly the same reasons. I understand this will come as a disappointment to Miss P, however, I'll explain why I think this is a fair outcome in the circumstances.

I would like to add, where the information I have is incomplete, unclear or contradictory, I've based my decision on the balance of probabilities.

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 what good industry practice at the time. Miss P was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

Miss P's allegations of misrepresentation are in relation to things she was told by the supplying dealer before entering into her agreement, rather than Stellantis. In principle, I can consider a complaint about antecedent negotiations carried out by the supplying dealer against Stellantis because section 56 of the Consumer Credit Act 1974 (CCA) says that it can be held liable for antecedent negotiations by the supplier.

If Miss P was given a false statement of fact or law, and if that false statement was a significant reason why she entered into the agreement, I may think the agreement had been misrepresented to her. Establishing what was discussed between Miss P and the supplying dealer isn't straightforward given I wasn't party to any of the conversations that took place.

In order for me to be satisfied the finance agreement was misrepresented, I would need to be persuaded there was evidence Miss P was told what she testifies she was told and hadn't merely misinterpreted the advice.

I have a copy of the hire purchase agreement as well as other documentation provided at the point of sale along with Miss P's complaint. I've seen Miss P says she only found out recently there was a balloon payment at the end of her contract and the dealer never discussed this. It says Miss P would like to keep the vehicle and settle the agreement without paying extortionate funds.

I've thought about all that Miss P has said but on balance of the available evidence here I think it's more likely than not that Miss P was provided with the finance agreement prior to her entry into it and that she agreed to be bound by its terms. I've seen the signature on the hire purchase agreement, and this suggests Miss P signed for this in person.

For obvious reasons I'm not able to say what was said during a face-to-face discussion which took place. So, I must rely on what evidence is available and what I believe likely occurred. Based on the information I have it seems that a meeting took place which is normal when taking out a car on finance. The available evidence strongly indicates that Miss P signed the agreement which included the figure of the final balloon payment.

The hire purchase agreement contains all the material information required by the Consumer Credit Act 1974. For example, it sets out the description of the vehicle, the interest rate, and total amount payable under the agreement. It also tells Miss P about her right to terminate the agreement.

Miss P also says she wasn't given any other finance options, but I've seen nothing to support this. I make the observation that Miss P does not appear to have sought or intended to withdraw from the agreement. Rather, she made the payments and enjoyed the use of the car. She's said she was unaware of the final balloon payment but having reviewed her agreement I'm satisfied it states how much the final repayment was. And this is included in the 'adequate explanation' document which is signed. I also think it's reasonable to expect that someone reads an agreement before entering into it.

So, all things considered and from the information provided, I'm persuaded Miss P was aware the agreement was in place and what her financial obligations were under it. I'm satisfied Stellantis acted fairly in the circumstances of this complaint and the finance agreement wasn't mis-sold.

As I've concluded that the finance agreement wasn't mis-sold to Miss P, I don't require Stellantis to take any action in relation to this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 7 November 2025.

Rajvinder Pnaiser
Ombudsman