

The complaint

Mr M complained about end of contract charges for a car supplied on finance by Stellantis Financial Services UK Limited trading as PSA Finance UK.

What happened

Both parties are familiar with the events of the complaint which I've briefly summarised here.

Stellantis supplied Mr M with a new car on a hire agreement in September 2021. The contract was for a minimum of 36 months, and Mr M agreed to make an advance payment of around £2,700 and 35 payments of around £300.

Mr M said that he proactively arranged for repairs to be made to the car before the end of the contract. He said that he engaged a professional smart repair company to restore the alloy wheels.

Mr M said that Stellantis' agent deemed the repairs unsatisfactory, which led to a charge of £195. He said Stellantis wrote to him informing him that it would take the amount by direct debit.

Mr M complained to Stellantis. He said he was charged for getting his own repairs and also for the repairs being deemed inadequate. Mr M said that the car was returned with mileage significantly below the allowance. He also said that the handling of the complaint was unsatisfactory because Stellantis took more than eight weeks to respond. He said by this point the charge had already been deducted from his account, and although he'd been offered a 25% reduction this had not materialised. He referred his complaint to our service.

An investigator considered the complaint. He said that he had considered the industry standards and thought the charge had been fairly applied. He also said that complaint handling in isolation wasn't something we could consider, and that as he hadn't found Stellantis had acted unfairly Mr M could approach it for the discount that it had offered. Mr M disagreed; in summary he said:

- He had proactively commissioned a professional smart repair to ensure the wheels met the BVRLA standards and the conclusion that the repairs were of a poor standard was subjective
- The repairs were carried out by a reputable repairer who provided assurances consistent with industry expectations
- Stellantis took over eight weeks to respond to the complaint which isn't acceptable
- Stellantis deducted the amount from his account prematurely without offering a fair chance to challenge the charges or provide additional evidence
- The 25% reduction implied the complaint had merit, but the refund was never honoured
- The charges appear punitive rather than compensatory

Our investigator offered to ask Stellantis to apply the discount. But Mr M declined. He said that he rejected it on the basis that the underlying issue had not been resolved.

Mr M asked for the complaint to be decided by an ombudsman, so the complaint was passed to me. I issued a provisional decision which said:

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and wider circumstances. The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it.

Stellantis set out in the terms of the agreement that there is an expectation that the car will be returned in a good condition, and that damage beyond fair wear and tear will be chargeable in line with the British Vehicle Rental and Leasing association (BVRLA). When Mr M entered into the hire agreement, he accepted these terms and conditions, which I've taken into account when making my decision.

BVRLA guidance says any damage to the wheel spokes, wheel fascia, hub of the wheel/alloy is not acceptable. There should be no rust or corrosion on the alloy wheels/wheel hubs. It also says Customers can arrange to repair any damage that is outside the agreed return standard before returning the vehicle, provided the repairs are carried out to a professional standard by a reputable repairer who can provide a full transferable warranty on their work.

There are multiple photos which I've looked at carefully. I can appreciate that Mr M thinks this assessment is subjective. However, I need to base my findings on the evidence before me. The inspection photos show a ruler and reflector board in order to demonstrate the actual size of the damage. I can see that parts of the rim are uneven and a different size to other parts of the wheel. There appears to be an uneven paint finish, which has bled over the rim, and distortion. I'm not an expert in car repairs, but the repairs don't appear to be consistent with the finish on the rest of the wheels' surface.

Even if I thought that the repairs were to a sufficient standard, I also need to consider what the rest of the guidelines say. BVRLA guidance says provided the repairs are carried out to a professional standard by a reputable repairer who can provide a full transferable warranty on their work. I can appreciate that Mr M says these were professional repairs, but I've not seen any warranties of the work included in what he's provided, which is one of the conditions set out in the guidance. I've also looked at the website for the repairer and I can't see any assurances that repairs were guaranteed to meet the required standards. Clearly with any form of repair there is a chance that the repair might not be sufficient. In this case I can't see that any such warranty is available.

Mr M might well have cause to complain to the repairer, but that isn't something that I can consider as part of this decision.

Mr M also says it is unfair that he wasn't given credit for the mileage being lower than expected under the agreement. But looking at the terms and conditions of the agreement there isn't a term which provides for any refund if the mileage limit isn't reached. And I don't think that because there is a term for charging an excess fee if the mileage limit is exceeded, that it means that it's unfair that there isn't a similar term to reimburse the customer should the opposite apply. And since such a term doesn't exist then I don't think it's reasonable to

require Stellantis to make a refund of the charge for that reason. In my view the car's mileage isn't related to the charges for the damage as these are separate matters.

Mr M says that Stellantis didn't fairly handle his claim because it replied too late and didn't give him a further opportunity to dispute the charges before the direct debit was taken. The inspection took place when the car was collected and I can see an indication was given to Mr M that he might be charged, but I've noted he didn't agree with the inspection report either. But the charges formed part of the agreement and Stellantis could call for them under its existing direct debit instruction, like other contractual payments. If Mr M was experiencing financial difficulty, he had an opportunity to let Stellantis know and it might have given him other options while he disputed the amount.

Stellantis made an offer to reduce the charges by 25% as a gesture of goodwill. I've not seen any acceptance of liability for a mistake which meant they should make that offer. I don't agree that it is implied that the complaint had merit, as it clearly set out it was a gesture of goodwill.

Mr M was free to provide any such evidence when he contacted Stellantis initially, and all the evidence that he's supplied to our service was available to him at the time he made his complaint on 4 October 2024. I can see that Stellantis acknowledged his complaint on 7 October 2024 and its final response was sent on 4 December 2024. Although we can't look into complaint handling in isolation, we can consider it as part of Stellantis carrying on another regulated activity, which it has done here in relation to exercising lenders rights and duties under a regulated credit agreement. If either party disagree that I can consider this part of the complaint, they can respond with comments to this provisional decision.

However, after considering whether Stellantis handling of the complaint caused any detriment, I'm sorry to disappoint Mr M but I don't think it did. Even if Stellantis had asked for further information or evidence, I don't think it would have changed the response that it gave him, albeit a couple of days later than it was required to. I can also see that Mr M was given a holding response which informed him that he could refer the complaint to our service on 30 November 2024, so Mr M wasn't unfairly disadvantaged by not being given the right to refer to our service at the right time. I don't think the answer Mr M received from Stellantis was unreasonable, so I don't find it necessary to make an award for how it handled the complaint.

I appreciate my decision will be disappointing to Mr M, but I don't find I have the grounds to instruct Stellantis to refund the charges. If he decides he would now like to accept the goodwill offer it made, he can contact it to see if it is still available.

Stellantis didn't reply to the provisional decision. Mr M disagreed, in summary he said:

- The repairs he commissioned were conducted in good faith and with the explicit expectation of meeting industry standards, yet this expectation has been dismissed without substantive justification
- The complaint was not resolved withing the mandatory eight-week timeframe which is a material breach of conduct that has been overlooked. Regardless of disadvantage this should steer the decision in his favour.
- Recent revelations in the motor finance commission disclosure scandal underscore the systemic lack of transparency in this sector

- He is due to return another car next year and won't be considering further business with Stellantis

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.

I'd like to thank Mr M for responding to the provisional decision promptly. I acknowledge his strength of feeling. I've read and considered everything he said, but I've summarised the key points here as reflects my role resolving disputes informally.

I can appreciate that Mr M had an expectation that the repairs he commissioned would be sufficient. However, as I've already explained I don't think the condition of the wheels at inspection met the standards for fair wear and tear, and I haven't dismissed what he's said. But I am required to give him an answer based on all the evidence put before me. I can't see any guarantees that the repairs completed would be in line with industry standards, and in any case, there is no warranty offered which is also a condition.

I can understand if Mr M doesn't feel inclined to consider further future contracts with Stellantis. I don't think I need to comment further on this as it is a matter of his choice.

I've explained that I can consider complaint handling in relation to exercising lenders rights and duties under a regulated credit agreement. Mr M says that regardless of any disadvantage the response he received was outside the eight weeks which means it was a material breach of conduct which should mean the decision goes in his favour. However, when considering its handling it is key for me to consider whether that handling caused any detriment. But after considering the matter again, I still don't think Stellantis' handling caused a detriment to how he was able to progress his complaint. Our service isn't here to look into Stellantis' conduct. That is the job of the regulator The Financial Conduct Authority (FCA). So Mr M can let the FCA know if he has concerns about Stellantis conduct, and it might look into that as part of wider investigations, but it won't consider his individual complaint. I don't think Stellantis' handling of the complaint had any adverse impact on the outcome of here so I'm still not directing it to take any further action.

Mr M has made some comments on motor finance commission. But I'm not dealing with that in this decision as it didn't form part of his complaint. If he's unhappy about that he'll need to contact Stellantis directly. And if he's expecting commentary on that in comparison to Stellantis' conduct in relation to this complaint, then I'm sorry to disappoint him, but would refer him to my comments above about our role.

As I don't consider I've been provided with any further information to change my decision, I still consider my findings to be fair and reasonable in the circumstances. Mr M doesn't need to accept my decision, and then he'll be free to pursue the matter by other means such as through the courts.

Therefore, my final decision is the same for the reasons set out in my provisional decision.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 August 2025.

Caroline Kirby
Ombudsman