DRN-5690662

The complaint

Mr W believes Stellantis Financial Services UK Limited (formerly Vauxhall Finance) ("Stellantis") wrongfully applied their own terms and conditions when they thought he had breached an agreement he held with them.

What happened

In October 2019, Mr W acquired a brand-new car using a conditional sale agreement with Stellantis. The cash price of the car recorded on the agreement was £13,521.82, the agreement was for 60 months, made up of regular, monthly repayments of £241.65. The deposit recorded on the agreement was £1,030.

Mr W said his account with Stellantis was in arrears due to missed monthly repayments.

In January 2024, Stellantis sent Mr W a Default Notice explaining that he was in breach of his agreement as it was no longer in his possession. The letter went on to explain that the breach wasn't capable of being remedied and that once the deadline in the letter had passed, they would look to terminate the agreement, repossess the car, and require immediate payment for the balance on the agreement, among other things.

The letter also said that Mr H had paid £12,521.97 towards the car under the agreement up to that point. And if Mr H had paid at least one third of the total amount payable under the agreement, then they will not repossess the car without a court order. The letter also said the remaining amount payable by Mr H at the time was around £2,700.

In March 2024, Mr W contacted Stellantis and explained that he couldn't pay the full amount and asked what he needed to pay in the interim to stop a repossession. Mr W also explained to Stellantis that he had only guaranteed the loan for a third-party and assumed they were paying for it.

Stellantis explained that the agreement was taken out by Mr W solely and that the car had to be in his possession, as per the terms of the agreement. Stellantis also explained that Mr W needed to pay £1,103.17 to stop a repossession.

In June 2024, Mr W was informed by Stellantis that they had exercised their rights in line with the terms and conditions of their agreement. Stellantis explained to Mr W that he had failed to keep the car in his possession, in his name and to make payments on time. They also said that while some payments were made towards the agreement, the arrears were high and in breach of the agreement. And so, they chose to recover the car.

Mr W said the car was repossessed without him being notified or without Stellantis obtaining a court order. Mr W thought the terms of the agreement meant that he should receive money back as he had paid over a third towards the agreement. So, he complained to Stellantis.

Mr W said that in June 2024, he had made a final payment to clear any outstanding balance remaining on the account he held with Stellantis. In July 2024, Mr W was notified by

Stellantis that his account was paid in full and that they had no financial or other interest in the car.

Mr W referred his complaint to our service in July 2024.

Stellantis gave their final response to Mr W towards the end of January 2025 and said they didn't uphold his complaint. They explained that Mr W was in contact with their late collections team in March 2024 and informed him what was required to stop the repossession of the car. Stellantis also referred to their terms around ownership and care of the car and thought Mr W was in breach of them. And so thought they were within their rights to repossess the car.

Mr W believed the terms of the agreement Stellantis had relied on to repossess the car were different to the complaint he had made to them and a separate issue. And thought he was still entitled to repayments he had made as the car was repossessed without him being informed or without acquiring a court order.

Later, Stellantis in their submissions to our service informed our service that they were notified by the keeper of the car (the third-party) that they wanted it collected. They said the car was then repossessed as an abandonment, and as the keeper of the car wanted it collected, they did not require a court order to repossess it.

Our investigator issued their view in which he explained that he upheld Mr W's complaint. In summary, he thought that Stellantis could only have received consent for the car to be repossessed from Mr W, as he was the individual who they took the agreement out with. Our investigator also thought that Stellantis required a court order to repossess the car, which they didn't obtain, and so wrongfully repossessed the car.

Stellantis accepted the investigator's findings towards the end of April 2025. They later reversed their acceptance and challenged the outcome reached. They explained that they did uplift the car, but not as a repossession, but rather for safe keeping as the third-party keeper no longer wanted it. They said this was to protect their asset. They also said that the car had since been returned to Mr W following him settling the agreement.

An investigator issued a further view from our service, explaining that Stellantis should pay Mr W £200 for the distress and inconvenience caused, but that they didn't have to refund all repayments made under the agreement. The investigator explained that while he thought Mr W was in breach of the agreement and it was fair for Stellantis to repossess the car, they needed a court order to repossess it as they didn't have Mr W's consent. The investigator went on to say that he didn't think it would be fair for Mr W to both have all repayments made under the agreement returned to him, along with retaining possession of the car. He thought that while Stellantis had made an error, it was mostly rectified by the car being returned to him. And that Mr W had taken ownership of the car since settling the remaining balance owed under the agreement.

Stellantis agreed with the outcome reached by the investigator. Mr W disagreed. Among other things, Mr W said that purchasing the car had no bearing on his complaint as it was unconnected to the agreement. And so, he thought he should be entitled to all repayments made towards the agreement. Mr W said that while he was now in possession of the car after settling the agreement, at no point did he agree that this would settle the complaint he referred to Stellantis.

As Mr W disagreed with the investigator's findings, the complaint was passed to me to decide. Mr W provided additional points he wished for me to consider when reaching my decision.

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'm upholding this complaint and I'll explain why below.

Mr W complains about a car supplied under a conditional sale agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr W's complaint about Stellantis.

What I need to consider in this instance is whether Stellantis acted fairly and reasonably when they repossessed the car from Mr W.

In order to do this, I have considered both the agreement that Mr W signed with Stellantis as well as relevant law.

Did Mr W breach the terms of the agreement?

Under section 20.5 of the agreement signed by both parties, it says:

"*You will keep the Vehicle under your possession and control…*"

Stellantis has supplied contact notes for Mr W's account. In November 2023, a third-party called in relation to the account. The notes suggest that the third-party told Stellantis that the finance was taken out for the car on their behalf by Mr W. And the third-party told Stellantis that Mr W now lived in another country. On balance, I'm satisfied that Mr W has taken out finance on behalf of someone else, which is commonly referred to as an accommodation deal.

I've also noted that Mr W is the sole customer attached to this agreement with Stellantis. No other individual is listed, nor is there any reference to Mr W being a guarantor, as he says he thought he was.

As Stellantis say they received confirmation from a third-party to collect the car as they no longer needed it, and they were told Mr W no longer lived in the country, I think it is fair to say that the car likely wasn't in Mr W's possession or control. It follows that I think it is fair that Stellantis treated the car as abandoned, considering they were told that Mr W no longer lived in the country.

The agreement also says under section 26 in a section called "*Default*":

"*If any of the following events occur we will assume that you have repudiated this Agreement, which means by your action you have ended this Agreement if… you fail to pay any Repayment on time… you have given us material information in connection with the making of this Agreement which you know or ought reasonably to have known is false or fail to provide material information which would affect the provision of credit… under this Agreement… you abandon the vehicle…*"

Stellantis issued a Default Notice to Mr W as they believed the car was no longer in his possession and control. Stellantis also say they relied on the terms and others within the agreement in issuing the Default, and so believe they fairly repossessed the car.

While I appreciate Mr W's comments in relation to what he says he was told by the supplying dealership on this matter, on face value, I'm also mindful that the terms above suggest that by Mr W not being in possession of the car, he would be in breach of the terms of the agreement he had signed.

So, I'm satisfied Stellantis had acted fairly in issuing a Default Notice to Mr W due to the terms of the agreement being breached.

Did Stellantis wrongfully repossess the car?

Having said the above, I don't think Stellantis have interpreted and applied their own terms correctly in relation to repossessing the car once they issued their Default Notice. I say this because, the term which relates to Stellantis needing a court order to take back the car, if Mr W has paid at least a third of the total amount payable, is a right Mr W holds as a consumer under the Consumer Credit Act 1974 ("CCA").

Section 90 of the CCA says:

(1) At any time when-

- *a) the debtor is in breach of… a regulated conditional sale agreement relating to goods, and*
- *b) the debtor has paid to the creditor one-third or more of the total price of the goods, and*
- *c) the property in the goods remains in the creditor,*

the creditor is not entitled to recover possession of the goods from the debtor except on an order of the court.

In this instance, I'm satisfied Mr W was in breach of the agreement. So, section 90(1)(a) has been satisfied.

I'm also satisfied section 90(1)(b) has been met, as Mr W at the time had paid at least £12,521.97 towards the car and agreement, which is more than a third of the total amount payable under the agreement (£15,101.80 for the car).

And finally, I'm satisfied section 90(1)(c) has also been met as Stellantis still retained ownership of the car as the agreement at the time was ongoing.

So, it follows that Stellantis was not entitled to recover possession of the car from Mr W except on order of the court or with his consent. And in this instance, Stellantis did not receive a court order before repossessing the car. And neither did they receive Mr W's consent. And while I appreciate Stellantis's comments in relation to getting confirmation from the third-party who had current possession of the car that it could be collected, as I explained above, the agreement was between Mr W and Stellantis. So, Stellantis could only obtain consent from Mr W.

So, I don't think Stellantis fairly applied their own terms and relied on relevant law when they repossessed the car from Mr W.

Do Stellantis need to do anything to put things right?

I've now gone on to consider whether Stellantis need to do anything to put things right. Section 91 of the CCA called, "*Consequences of breach of s. 90*" says:

"*If goods are recovered by the creditor in contravention of section 90-*

(a) the regulated agreement, if not previous terminated, shall terminate, and
(b) the debtor shall be released from all liability under the agreement, and shall be entitled to recover from the creditor all sums paid by the debtor under the agreement."

In this instance, I have seen a copy of a letter sent to Mr W in July 2024 which explained that the account is now paid in full and that Stellantis had no financial or other interest in the car. I have also seen internal notes supplied by Stellantis that the agreement was terminated. So, on face value, it seems that section 91(a) has been met.

Turning my attention now to section 91(b). I consider this part of the section to mean that Mr W is entitled to be reimbursed all payments he has made under the agreement, if Stellantis breached section 90 of the CCA. So, I think under the CCA, Mr W is entitled to all payments he has made.

Having said that, I'm mindful of events that have occurred following Stellantis wrongfully repossessing the car. From both what Mr W has said and from what Stellantis has provided, a settlement quote was generated for Mr W, who in turn paid it. The car was then released back to Mr W, who retained possession of it.

So, if I was to make a direction that Stellantis should pay Mr W all sums paid under the agreement, I'm mindful that would mean Mr W would get that amount, alongside also having possession of the car.

Mr W believes these are two separate issues, as he paid the settlement fee to take ownership of it outside of the agreement and breach that occurred by Stellantis. While I appreciate what Mr W says here, I disagree. Mr W obtained a settlement quote and paid it to clear any outstanding balance he owed in relation to the agreement he signed with Stellantis. So, his very actions are in relation to the agreement and I can't ignore it. And I'm mindful that the remedy under the CCA is, in essence, to compensate the debtor for "protected goods" which were wrongfully repossessed. But in this instance, the goods have now been returned to Mr W. So, broadly speaking, the action of wrongfully taking the car has been put right by it being returned to Mr W.

And while I'm mindful of the law, I must also consider what is fair and reasonable when making my findings.

Considering things here, and the fact the car was returned to Mr W, I don't think Stellantis needs to reimburse Mr W for all payments he made under the agreement.

Distress and inconvenience

I have also considered the impact Stellantis's mistake of wrongfully repossessing the car has had on Mr W. It must have been distressing to find out his car was being repossessed, especially considering Mr W explained to Stellantis on a few occasions that they required a court order to do so. Considering the circumstances, I think Stellantis should pay Mr W £200 for the distress and inconvenience caused in relation to this complaint.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Stellantis Financial Services UK Limited to put things right by paying Mr W £200 to reflect the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or

reject my decision before 11 September 2025.

Ronesh Amin
Ombudsman