

The complaint

Mr B complains about a car supplied to him using a hire purchase agreement taken out with Stellantis Financial Services UK Limited ("Stellantis"), formerly PSA Finance UK Ltd.

What happened

In April 2021, Mr B acquired a used car using a hire purchase agreement with Stellantis. The car was less than a year old, the cash price of the car recorded on the agreement was £23,287, the agreement was for 48 months, made up of 47 regular, monthly repayments of £431.87, followed by a final payment of £9,315. The mileage recorded on the agreement for the car was 1,000 miles.

Mr B said he experienced issues with the car in around January 2023 in relation to the AdBlue and diesel particulate filter ("DPF").

Mr B said that issues with them reoccurred on several occasions throughout the agreement, notably in August 2023, May 2024, August 2024, October 2024, December 2024, January 2025, and March 2025. On most occasions, the car was returned to the supplying dealership to be repaired. Mr B said that on occasions he had to hire another car at his own expense to be kept mobile as courtesy cars weren't provided when his car was being repaired.

Mr B complained to Stellantis as he wished to reject the car. Unhappy that Stellantis hadn't responded to his complaint with a final response, Mr B referred his complaint to our service in April 2025. Since April 2025, the car has remained at the dealership, where its last recorded mileage was 37,901 miles.

While the complaint was with our service, Stellantis made Mr B an offer, which our investigator communicated to him. Mr B declined the offer, and so our investigator went on to consider whether the offer made was fair and reasonable, given the circumstances.

The offer Stellantis made was to accept rejection of the car and reimburse Mr B for his December 2024 repayment he had made towards his agreement, as well as pay £350 for the distress and inconvenience caused. This was alongside writing off the outstanding balance remaining on the account. Stellantis also said that Mr B had already been reimbursed for the occasions he had to hire another car to be kept mobile, totalling approximately £1,500. And Stellantis had already refunded Mr B £1,295.61 for three monthly repayments towards the agreement for January to March 2025.

Our investigator explained that he was satisfied there was a fault with the car which made it of unsatisfactory quality. Stellantis had accepted the car could be rejected. And the investigator thought the offer made by Stellantis was a fair and reasonable resolution to this complaint.

Mr B disagreed with the investigator's outcome. While he agreed with most aspects of our investigator's findings, Mr B thought that Stellantis should do more to reflect the distress and inconvenience this complaint has caused him. Mr B explained in detail the impact this

complaint has had on him and his family, and his ability to plan his weeks, due to the issues the car had during the term of the agreement.

As Mr B disagreed with the investigator's view, the complaint was passed to me to decide.

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 in line with our investigator's findings, and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr B complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr B's complaint about Stellantis.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Stellantis here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Mr B acquired was relatively new, being less than a year old at the point of supply, with a recorded mileage of 1,000 miles, and the cash price of the car being around £23,300. I think a reasonable person would expect it to be in very good condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Normally, I would consider each issue in turn and consider whether there is a confirmed fault with the car. But, in this instance, it isn't in dispute here that the car developed a fault. I say this because Stellantis hasn't objected to there being a fault with the car. And in any event, from the various job sheets I have seen of works carried out to the car from May 2024 onwards, which I won't summarise here as both parties are aware of the issues, I'm satisfied that there is a fault with the car.

While I haven't seen job sheets or issues of faults with the car prior to May 2024, it's worth highlighting that I don't dispute Mr B's version of events and what he says he experienced with the car through 2023.

I'm also satisfied that the faults found with the car make it of unsatisfactory quality. Again, Stellantis hasn't objected to the car not being of unsatisfactory quality in their submissions to our service. And given the age of the car when it was supplied to Mr B and when faults arose, I'm satisfied the car wasn't durable. I wouldn't expect there to be a need to repair

items such as the AdBlue sensor or investigate matters in relation to the DPF so early in the car's lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Mr B.

Remedies under the CRA

What I now need to consider is whether the offer Stellantis made to Mr B was fair and reasonable to put things right, or if it needs to do anything further.

In this instance, Stellantis has agreed to allow rejection of the car, which means it would be returned to them, and the agreement ended, with no further payments owed. I think this is fair in the circumstances, considering one of the remedies available to Mr B under the CRA is rejection of the goods, when the lender has already had an opportunity to repair the car and those repairs have failed or there's an underlying issue with the car that wasn't put right.

It's worth highlighting that car's mileage at the time it was last returned to the dealership was around 37,900 miles. So, while I accept Mr B had issues with the car, I think it is also fair to say that he had fair usage of it, having managed to drive it for almost 37,000 miles during the time it was supplied to him.

Mr B has already received a refund for monthly repayments he has made for January to March 2025 and Stellantis has offered to reimburse Mr B's December 2024 monthly instalment as well. Additionally, Mr B has been reimbursed the costs he says he incurred in keeping himself mobile by hiring cars and using other modes of transport. Considering things here, I think this is fair in the circumstances, given the time Mr B was without use of his car and for the amount Stellantis has offered.

Distress and inconvenience

What is in contention is the amount Stellantis has offered to pay Mr B for the distress and inconvenience caused by this complaint, which is £350. So, I have focussed my considerations here, as this is what is still in dispute from the offer Stellantis has made.

Mr B explained in detail the impact this complaint has had on him and his family, and his ability to plan his weeks, due to the issues the car had during the term of the agreement. I want to reassure Mr B that I have carefully considered what he has said here, and I mean no discourtesy to summarise his comments so briefly.

I'm satisfied that from what Mr B has said, that he experienced considerable distress, upset and worry – and on occasions, that led to significant inconvenience and disruption to Mr B's daily routine. On occasions, the impact of the faults with the car lasted weeks at a time. And on occasions, Mr B was out of pocket in order to be keep his family mobile by hiring other cars, until he was reimbursed for this.

While I appreciate Mr B is expecting a significantly higher amount of compensation to reflect the distress and inconvenience he has suffered, I'm satisfied that the £350 Stellantis has offered Mr B here is fair in the circumstances.

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 doing the following:

- End the agreement (if this has not been done already), ensuring Mr B is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable).
- Collect the car (if this has not been done already) without charging for collection.
- Reimburse Mr B his December 2024 monthly repayment he made towards the agreement. *
- Pay Mr B £350 to reflect the distress and inconvenience caused.

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Stellantis considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Stellantis has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 December 2025.

Ronesh Amin
Ombudsman