

The complaint

Mr C complains about the quality of a vehicle that was supplied through a hire purchase agreement with Stellantis Financial Services UK Limited (SFS). Mr C also believes the finance agreement was mis-sold to him.

What happened

In January 2023, Mr C acquired a new vehicle using a hire purchase agreement with SFS. The cash price of the car was £32,758. An advanced payment of £7,618 is listed, which included a part exchanged allowance, so the total amount financed on the agreement was £25,140 payable over 36 monthly repayments of £376.54 followed by a final repayment of £17,058.

Mr C complained that the vehicle he acquired wasn't fit for purpose because there were many issues that were inherent with the model. Mr C said the issues included a misaligned bonnet, the locking system not working properly, an unreliable range guide, the connected services intermittently working, and the key start wasn't working properly. Mr C says he's lost faith in the car, and the whole situation has affected his health.

Mr C also complained about the finance agreement. He said having part exchanged a vehicle to use as a deposit, he was told there would be equity in the deal near the end of the agreement however he was surprised to learn that near the end of his deal his car was in negative equity by around £8,000.

In May 2025, SFS issued their final response to Mr C's complaint which they didn't uphold. In summary, it said the dealership confirmed the starting issues was a characteristic and other issues were fixed when it was brought in for repairs. In relation to the guaranteed future value of the vehicle, SFS said it's normal that vehicles lose value with age and usage and this was explained on a document called "*the adequate explanation form*" which Mr C signed prior to entering the agreement. SFS said the details of the finance agreement were explained on the contract which he also had the opportunity to review before signing it.

Unhappy with their decision, Mr C brought his complaint to our service where it was passed to one of our Investigators to look into.

In his complaint form Mr C said he felt he had no option but to voluntarily terminate (VT) the finance agreement which cost him £1,330 to exit. Mr C said he's lost out on his £7,500 deposit and had to pay £1,330 to terminate the agreement. To resolve things Mr C said he believes he should receive a minimum of £7,500 in compensation.

In September 2025, the Investigator issued their view and recommended that Mr C's complaint should not be upheld. In summary the Investigator concluded there wasn't any evidence that the vehicle was faulty when it was supplied or that SFS were responsible for the depreciation of the vehicle's value.

Mr C didn't accept this recommendation, and asked that his complaint be referred to an ombudsman for a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr C complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr C's complaint about SFS. SFS is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering 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 consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, the car was acquired brand new, with a cash price of around £32,758. So, I think it's fair to say that a reasonable person would expect the level of quality to be higher than a second hand, more road-worn car and that it could be used – free from defects – for a considerable period of time

From the information provided I'm persuaded there were faults with the car. Although I've seen no job cards or expert reports, SFS provided an email from the dealership which advised faults were rectified when it came in for repairs. Mr C has told us there were faults relating to the range, connected services, locking issues, key start not working and a misaligned bonnet. In their email, the dealership has only confirmed the issue with the vehicle starting after three presses was a characteristic and not considered a fault.

However, having considered the car had some faults I've considered whether it was of satisfactory quality when it was supplied.

Satisfactory quality

In their email to ASFS dated in April 2025, the dealership confirmed that the car had no fault following its repair. Under the CRA if goods are not of satisfactory quality they do not conform to the contract. Section 19 of the CRA sets out certain remedies available to the consumer for goods that do not conform. One of those remedies is the right to a repair.

Besides what Mr C has told us, I've no expert evidence, for example in the form of expert reports or diagnostics to suggest that the repairs weren't successful or that any new issues

developed afterwards. I acknowledge what Mr C has said about the issues with the car, making it not fit for purpose; however I think it would have been reasonable had Mr C decided to have the car inspected by an independent mechanic, for example, to demonstrate to SFS or the dealership the issues he believes he was experiencing with it.

In the circumstances, based on the evidence provided, I'm persuaded the vehicle was of a satisfactory quality following the initial repairs that were carried out by the dealership.

misrepresentation

Mr C also told us that he believes the finance agreement was mis sold to him because he was told he'd have more equity in the vehicle when it reached nearer the end of the term. Mr C provided copies of an email trail with the dealership and SFS in relation to the decreased value of the vehicle.

Mr C feels he was misled into entering the agreement based on the verbal assurances he was given about its future value (GFV). So I've considered whether SFS had mis represented the finance agreement to him.

I would consider a misrepresentation to have taken place if Mr C was told a false statement of fact, that induced him into entering into the agreement when he otherwise would not have.

Having thought about this carefully I'm not persuaded the agreement was mis represented to Mr C.

Mr C's main concern, besides the quality of the vehicle, appears to be that the vehicle had considerably decreased in value. This was despite the size of his initial deposit and the assurance he was given by the dealership prior to the sale.

I've been given no documented or recorded evidence of the conversations that took place as part of the sales process, so I've relied on the information that would have been available at the time. For example, I've considered what information would have been available to Mr C at the time, which would have enabled him to have a better understanding of the agreement he was entering.

The financial information about the agreement is on the front page of it. It outlines the key financial information which included the monthly repayments and final balloon payment. Having looked at this I'm satisfied that the information is reasonably clear. So, I'm satisfied Mr C would have had an opportunity to consider this prior to signing it.

In addition, on the *adequate explanation* page of the agreement, under the section "*things to consider*", it says: "*there could be a risk of negative equity. In which case, you'd pay us more to end your agreement than you'd get by selling the vehicle. Examples of factors to consider are: higher mileage than expected, damage or market changes.*"

Mr C signed this document which persuades me he would have had an opportunity to review it prior to entering into it.

I've seen no further evidence from the point of sale in relation to the conversations that would have taken place about the future value of the vehicle. However, I think it's reasonable to consider that the value of a vehicle will decrease from the moment it's acquired. And further decrease based on usage and market conditions. I haven't seen any evidence that SFS were able to affect the future value of the vehicle or that they could have given Mr C a more accurate valuation of what the vehicle would have been valued, at a particular point in the future. So, I'm not persuaded that they would have been able to provide any firm reassurances of what the vehicle would be worth at a future point.

The terms of the agreement suggest this is the case and so had this been an important factor for Mr C, I would have thought it would be reasonable for him to discuss this term with the selling dealership prior to entering the agreement.

All things considered I've not seen any evidence that Mr C was given any information that could be considered a false statement of fact or that any information was omitted that would have made a material difference to the financials when he decided to terminate the contract.

I acknowledge Mr C's concern that it feels like his word against SFS. However, given that there's no recorded evidence of the conversations at the time, the available documentary evidence becomes even more important. Independent reports—such as expert assessments or mechanic diagnostics—could have demonstrated whether faults were present and whether they affected the vehicle's roadworthiness. Similarly, the finance agreement provides key information about what was available to Mr C when deciding whether to enter into the agreement.

As I've concluded that the car was of satisfactory quality following the initial repairs and that the agreement wasn't mis-sold to Mr C, I don't require SFS to take any action in respect of this complaint.

My final decision

My final decision is that I don't uphold Mr C's complaint about antis Financial Services UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 December 2025.

Benjamin John
Ombudsman