

## **The complaint**

Stellantis Financial Services UK Limited ('Stellantis') provided Miss C with finance by way of a conditional sale agreement in March 2017 so that she could purchase a new car. Miss C, who is represented by a third party, says the finance was provided irresponsibly.

## **What happened**

The sum lent under the agreement was £16,435.32. Miss C was required to make 48 monthly repayments of £251.43. There was a deposit of £219 and a manufacturer contribution of £2,400. The total amount repayable under the agreement was £20,724.21.

## **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 considered everything, I'm upholding Miss C's complaint. I'll explain my reasoning below:

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Miss C's case.

I've decided the credit wasn't provided fairly because:

- I don't think what I've seen about the checks Stellantis did before providing the credit were reasonable and proportionate. I say this because although Stellantis found out about Miss C's income and looked at her credit commitments, I haven't seen that an income and expenditure assessment was carried out. This was particularly relevant here given Miss C's level of income and the term over which she would be repaying the finance.
- If Stellantis had done proportionate checks, I think it's likely these would have shown it was unfair to provide the credit to Miss C. I say this given that Miss C was paying around £430 a month in rent and was making monthly credit repayments of around £350 towards her existing credit commitments. In addition, Miss C would need to find money for other household expenses, food and fuel costs. So, with a net monthly income of around £890, the repayments of £251.43 looked likely to be unaffordable.
- I've seen that Stellantis has questioned the rent Miss C was paying because the tenancy evidence we've seen was from 2013. Given the nature of the tenancy and what Miss C has told us, I think it's reasonable to accept that at the time of the agreement, the monthly rent would be around £430. And even with a change of tenancy, I think it would be likely to be broadly the same, if not higher. So the repayments still looked to be unaffordable.
- Based on the information Miss C has provided about her circumstances at the time, I

think Stellantis should have realised she was likely to be unable to sustainably repay the repayments under the new agreement.

This means I don't think Stellantis should have provided the finance to Miss C.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Miss C in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

### **Putting things right**

To settle Miss C's complaint Stellantis should do the following:

- Refund any payments Miss C has made in excess of £16,435.32, representing the original cash price of the car. It should add 8% simple interest per year\* from the date of each overpayment to the date of settlement.
- Remove any adverse information recorded on Miss C's credit file regarding the agreement.

\*HM Revenue & Customs requires Stellantis to take off tax from this interest. It must give Miss C a certificate showing how much tax it's taken off if she asks for one.

### **My final decision**

My final decision is that I'm upholding this complaint and Stellantis Financial Services UK Limited must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 20 February 2026.

Michael Goldberg

**Ombudsman**