

## **The complaint**

Ms O is unhappy that a car supplied to her under a conditional sale agreement with Stellantis Financial Services UK Limited was of an unsatisfactory quality.

## **What happened**

In January 2022, Ms O was supplied with a used car through a conditional sale agreement with Stellantis. She paid an advance payment of £20,000 and the agreement was for £38,900 over 60 months; with monthly payments of £781.84. At the time of supply, the car was around one and a half years old and had done 17,312 miles.

In May 2024, the car suffered a turbo failure, causing a loss of power and a near total loss of control, while Ms O was driving it on a motorway. The car was on fire, came to an abrupt stop, which caused Ms O severe injuries and, tragically, a miscarriage. This has resulted in Ms O suffering ongoing health problems, and she has been unable to work as a result.

According to a letter from Stellantis dated 18 December 2024, the manufacturer had confirmed that the turbo failure was due to a manufacturing issue, and they were also supporting Ms O with a personal injury claim.

The car was repaired and returned to Ms O in January 2025. However, Ms O has suffered problems with the car after it was returned to her, with electrical issues and the need for a replacement auxiliary belt and tensioner.

Unhappy with what had happened, Ms O complained to Stellantis. However, they didn't uphold her complaint, so she brought it to us for investigation.

Our investigator didn't think the car was of a satisfactory quality when it was supplied to Ms O, as it wasn't sufficiently durable. So, they said that Ms O should be able to reject the car, with a refund of the deposit she paid, a refund of 15% of the payments she's made since January 2025, and that Stellantis should pay her an additional £750 for the distress and inconvenience she'd suffered.

Stellantis accepted the investigator's recommendation, but Ms O didn't. She thought that Stellantis should refund all the payments she'd made under the agreement, in addition to a significantly increased amount of compensation to account for:

- the prolonged period she was without the car, especially when she was having problems with the car before the accident;
- the severe personal injury and loss she'd suffered; and
- the ongoing impact to her health, mobility, and emotional wellbeing.

Because Ms O didn't agree, this matter has been 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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Ms O was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Stellantis are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Stellantis can show otherwise. So, if I thought the car was faulty when Ms O took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Stellantis to put this right.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. While Ms O has suffered severe injuries and a tragic loss, it doesn't seem to be disputed that this was as a result of a manufacturing issue, for which the manufacturer has accepted responsibility. The manufacturer has also said they will support Ms O with a personal injury claim.

The Financial Ombudsman Service is an alternative to the courts, and, in this instance, I think the injuries Ms O suffered are best dealt with by a personal injury claim, where the full impact on Ms M can be assessed by medical professionals, and appropriate compensation awarded. So, this is something best dealt with by the courts, and our rules allow us to say when this is the case.

So, while my decision will consider the impact of Stellantis's service on Ms O, it won't consider the full range of her injuries, and the long-term impact of these.

Turning to the matter in hand, as I've said, it's not disputed there was a manufacturing fault with the car supplied to Ms M, and this caused the turbo failure and subsequent accident in May 2024. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision. Instead, I'll focus on what I think Stellantis should do to put things right.

### **Putting things right**

Section 24(5) of the CRA says "*a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract.*" This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it's not a single chance of repair for

the dealership AND a single chance of repair for Stellantis – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

The CRA is also clear that, if the single chance at repair fails, then Ms O has the right of rejection. The car suffered serious damage with the turbo failure, and subsequent fire. And it took around six months for the repairs to take place. However, since the car was returned to Ms O, it's had electrical issues and the need for an auxiliary belt and tensioner to be replaced at a point well before any reasonable person would expect this type of issue.

I'm therefore satisfied that the single chance of repair was unsuccessful, and Ms O has the right to reject the car, with a full refund of the deposit she paid.

Ms O would also like a full refund of all the payments she made. Until the accident, Ms O was able to use the car. While she has referred to some issues with the car around a year after it was supplied to her, I've not seen any evidence that these were related to the manufacturing issue, nor that they were issues that were present or developing when the car was supplied. Because of this, I think it's only fair that Ms O pays for her usage of the car and I won't be asking Stellantis to refund any of the payments made before the accident.

After the accident, and while the car was being repaired, Ms O was supplied with a courtesy car to keep her mobile. And, while there was the need to change this car during this period, I think that Stellantis acted reasonably at this time. So, again, I won't be asking Stellantis to refund any payments while the car they supplied was being repaired.

However, after the car was returned back to Ms O following the repair, she was experiencing issues, including noises similar to those the car made immediately prior to the breakdown. As such, her use and enjoyment of the car was impaired after this date, and I think it's fair that Stellantis refund some of the payments Ms O made. And I think 15% of the payments made fairly reflects the impaired use caused by the car not being of a satisfactory quality due to the failed repair. So, this is a payment I'll be asking Stellantis to make.

Finally, I think Ms O should be compensated for the distress and inconvenience she's been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available. And, as I've said, this compensation is not for the injuries and loss Ms M suffered, which is better dealt with through a personal injury claim.

I note our investigator recommended Stellantis pay Ms O an additional £750, to recognise the distress and inconvenience caused, and Stellantis have accepted this. Having considered this recommendation, I think it's a fair one that falls in line with our service's approach and is in line with what I would've directed, had it not already been put forward. So, this is a payment I'm directing Stellantis to make

Therefore, Stellantis should:

- end the agreement, ensuring Ms O is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the car at no collection cost to Ms O;
- remove any adverse entries relating to this agreement from Ms O's credit file;
- refund the deposit Ms O paid (if any part of this deposit is made up of funds paid through a dealer contribution, Stellantis is entitled to retain that proportion of the deposit);

- refund 15% of the payments Ms O paid from when the car was returned to her in January 2025 to when the agreement is ended;
- apply 8% simple yearly interest on the refunds, calculated from the date Ms O made the payment to the date of the refund<sup>†</sup>; and
- pay Ms O an additional £750 to compensate her for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Stellantis must pay this compensation within 28 days of the date on which we tell them Ms O accepts my final decision. If they pay later than this date, Stellantis must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires Stellantis to take off tax from this interest, Stellantis must give Ms O a certificate showing how much tax they've taken off if she asks for one.

### **My final decision**

For the reasons explained, I uphold Ms O's complaint about Stellantis Financial Services UK Limited. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 7 January 2026.

Andrew Burford  
**Ombudsman**