

### **The complaint**

Mrs M complains that a used car supplied to her by Stellantis Financial Services UK Limited (SFS) under a conditional sale agreement is of unsatisfactory quality.

### **What happened**

Mrs M took out the conditional sale agreement with SFS in late November 2024 for the supply of a car that was around nine years old and had travelled around 64,502 miles. The cash price of the car was £3,995, with Mrs M making monthly payments under the agreement of £146.35 for 34 months. The car also came with a six month warranty.

At the end of January 2025, Mrs M contacted the supplying dealership about faults with the exhaust, brakes and handbrake. The dealership asked Mrs M to get a quote for the necessary repairs, which it said it would then pass to the warranty company.

In February 2025, Mrs M got a quote for £716.33 to replace the exhaust and to strip and clean the brakes and handbrake. Mrs M was subsequently told by the warranty company that it wouldn't cover the cost of the repairs.

In April 2025, having been unable to get the supplying dealership to carry out the repairs, Mrs M complained to SFS that the car wasn't of satisfactory quality.

In July 2025, the car broke down due to a fault with the exhaust and had to be recovered by a breakdown recovery company. At this point, having had no response from SFS to her complaint, Mrs M referred it to us.

In August 2025, the broker who'd been involved in supplying the car arranged an inspection by an independent motor engineering firm. The car was inspected in September 2025. In his report, the motor engineer said the car had exhaust corrosion, which wasn't unexpected for any exposed and untreated metallic component of its age and mileage. The engineer noted the car had passed an MOT a couple of weeks before it was supplied, which did not mention corrosion. He concluded that, while some corrosion may have been developing at that point, the car was of satisfactory quality when SFS supplied it. He also said issues he'd found with the handbrake and timing belt were general maintenance concerns.

After the car had broken down, Mrs M asked SFS if she could take a break from payments on her conditional sale agreement. SFS agreed to this for September and October 2025. But SFS didn't apply the payment breaks as agreed, which resulted in Mrs M being issued with default notices. SFS apologised to Mrs M for its mistake and she was able to claim back payments for July, August, September and October 2025.

In October 2025, SFS gave Mrs M its final response to her complaint. It said that, while there were faults with the car, they weren't present at the point of supply and so Mrs M had no right to reject it. But SFS nevertheless offered to cover the cost of repairs in their entirety and also paid Mrs M £250.00 towards her car hire costs as a goodwill gesture.

Mrs M rejected SFS's offer to repair the car. She said a repair alone wouldn't address the wider losses (including her car hire costs) and disruption she'd experienced. She said she no longer trusted the car, which she therefore wanted to reject.

The investigator who looked at Mrs M's complaint thought the car was of satisfactory quality when SFS supplied it to her. So he said SFS wouldn't generally be liable for the repair costs. But he noted that, despite this, SFS had agreed to cover those costs and had paid Mrs M £250 in compensation. Overall, he thought SFS had treated Mrs M fairly.

Mrs M disagrees. Among other things, Mrs M says the independent motor engineer's report is inaccurate, the validity of the MOT is questionable and the supplying dealership's failure to exercise its right to repair the car leaves rejection as the only reasonable course of action for her.

So Mrs M's complaint has come 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.

I've also considered the relevant law and regulations, any regulator's rules, guidance and standards, any codes of practice, and (if appropriate) what I consider was good industry practice at the time.

In this decision, I haven't commented on all of the details we've been given on Mrs M's complaint. That reflects the informal nature of our service as a free alternative to the courts. If I don't mention something, it's not because I've ignored it. Rather it's because I've focused on what I think are the key issues.

Having considered everything, I've decided the offer SFS has made to cover the cost of repairs to the car's exhaust, brakes and handbrake (as set out in the quote Mrs M got in February 2025) is fair and reasonable. As I'll explain, I don't think SFS needs to do anything more to put things right for Mrs M.

SFS supplied Mrs M with a car under a conditional sale agreement. This is a regulated consumer credit agreement, which means we can look at complaints about it against SFS.

The Consumer Rights Act 2015 (CRA) covers agreements such as Mrs M's. Under it, there's an implied term that the goods supplied will be of satisfactory quality. And the CRA says goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price.

The CRA also says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

Under the CRA, the general position is a consumer must show there's a fault with the car. But if they can do this and the fault shows the car wasn't of satisfactory quality in the first six months from supply then, broadly speaking, it's for the supplier (SFS in this case) to show the goods did actually conform to the contract when supplied.

As I've mentioned, when SFS supplied the car to Mrs M, it was around nine years old, had done around 64,502 miles and had a cash price of £3,995. So I wouldn't have the same expectations of this used car as I would of one that was brand new. As with any car, there'll be ongoing maintenance and upkeep costs. In used cars, and especially older cars with reasonably high mileage, it's more likely parts will need to be replaced sooner or be worn faster than in brand-new cars. That means SFS wouldn't be responsible for anything that was due to normal wear and tear while the car was in Mrs M's possession.

The first thing I have to look at in deciding Mrs M's complaint is whether there was a fault with the car. I don't think there's any dispute about that – Mrs M's testimony, along with the repair quote and reports from the breakdown recovery company and the independent motor engineer are all evidence of a fault with the exhaust.

But this doesn't automatically mean the car wasn't of satisfactory quality when SFS supplied it to Mrs M. So that's the second thing I need to look at in deciding Mrs M's complaint. For me to decide a car is of unsatisfactory quality, I must think it's likely the faults that've been identified were present or developing at the point of supply *and* were caused by an inherent defect, rather than general wear and tear.

In Mrs M's case, I think it's more likely than not the fault with the exhaust was due to general wear and tear. In making this finding, I've relied on the conclusions the independent motor engineer reached, which I find persuasive. He said there was corrosion to the front and centre sections of the exhaust system, which he described as a natural condition, accelerated by the susceptible position of the exhaust and its exposure to moisture and road debris. He said this was further supported by the majority of the exhaust being in a similar condition, indicating the corrosion was developing at a similar rate. He noted the car had passed an emissions test and an MOT in November 2024 at a mileage of 64,502 miles (the same mileage as when the car was supplied to Mrs M), with no mention of corrosion to the exhaust system. He said that, while a degree of corrosion would've been developing when the car was supplied to Mrs M, it was not defective at that point. His conclusion was that it was reasonable to expect any nine year-old car to have a degree of corrosion to its exhaust system.

I know Mrs M doesn't accept the independent engineer's report. She says the engineer inspected the car nine months after the fault with the exhaust had first been identified, when it also hadn't been used for over a month. She says the car needed a new exhaust system within seven weeks of supply and that, while corrosion may be normal, the need for a new exhaust system within that timeframe isn't. Mrs M also says the failure sequence isn't compatible with a car that had passed a valid MOT weeks before supply.

We are an evidence-based service and, while I acknowledge the strength of Mrs M's opinion, what she says isn't supported by any direct expert evidence. So I can't attach the weight to her testimony that I do to the independent motor engineer's report, which says he has 17 years of experience in the motor industry. It's clear from the report that the engineer was aware of the car's history – he refers to the repair quote of February 2025, for example. And yet still his conclusion is that it wouldn't have been defective at the time of supply.

Mrs M also questions the validity of the MOT that the independent motor engineer relied on to support his findings. She refers to having found reports of the dealership conducting ghost MOT's online. But I have no evidence that the MOT in this particular case was defective in any way.

So Mrs M's testimony doesn't change my conclusions on her complaint. I think SFS has shown – as it needed to under the CRA, since the fault came to light within six months of supply – that it's likely the car was of satisfactory quality when it was supplied to Mrs M.

Mrs M refers to the CRA stating that a repair must be carried out within a reasonable time and without causing significant inconvenience. But under the CRA, the single right of repair (which is what Mrs M is referring to) only arises where the goods supplied aren't of satisfactory quality. And, for the reasons I've given, I don't think Mrs M's car was of unsatisfactory quality.

Since I don't think the car was of unsatisfactory quality when supplied, I don't think it would be fair and reasonable for Mrs M to be able to reject it. SFS has, though, offered to cover the costs of the repairs, as long as they're in line with the February 2025 quote I've already mentioned. This is more than I'd expect it to do in these circumstances and so I think SFS's offer is fair.

Since I don't think the car was of unsatisfactory quality when supplied, I also don't think it would be fair and reasonable to require SFS to reimburse Mrs M the car hire costs she incurred, although I note that SFS made a payment of £250 to compensate Mrs M for some of those costs and agreed to payment breaks to help with them. Again, this is more than I'd expect SFS to do in these circumstances.

I can see that the payment breaks Mrs M asked for and SFS agreed to weren't initially applied as they should've been. This is unfortunate and undoubtedly caused Mrs M distress and inconvenience. But SFS has apologised for its mistake and Mrs M was ultimately given payment breaks for four months, rather than the two that SFS initially agreed to. Since I think SFS has treated Mrs M fairly and reasonably overall, I don't think it needs to do anything more here.

### **My final decision**

Stellantis Financial Services UK Limited has already offered to cover the full cost of repairs to the car in line with the February 2025 quote Mrs M got – that is, to replace the exhaust and to strip and clean the brakes and handbrake – at a local dealership of Mrs M's choice. For the reasons I've given, I think this offer is fair and reasonable in all the circumstances.

So my decision is that Stellantis Financial Services UK Limited must cover the full cost of the repairs to the car in line with what I've set out above, if Mrs M decides to go ahead with them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 24 December 2025.

Jane Gallacher

**Ombudsman**