

The complaint

Mrs O complains about the end of contract charges in relation to a vehicle that was supplied through a motor finance agreement with Stellantis Financial Services UK Limited trading as Vauxhall Finance (SFS).

What happened

In February 2022, Mrs O entered a conditional sale agreement with SFS for a new car. The cash price of the car was £32,782. A deposit of £560.38 is listed, so the total amount financed on the agreement was £32,221.62, payable over 48 monthly repayments of £459.70 followed by a final repayment of £13,267.

Mrs O said she made an enquiry about voluntarily terminating (VT) her agreement and was told during a phone call that she would have to pay £3,246, but that she could repay any amount on a timescale that suited her. Mrs O said she decided to acquire another car on the basis that she had flexibility in how she could repay her existing finance.

Mrs O said that when she decided to hand the car back via VT, she received an email advising that she had to repay the full amount, or the balance would be passed to a debt recovery agency and a default placed on her credit file.

Mrs O said at that point it was too late to cancel her new vehicle order and wouldn't have arranged the VT if she knew she had to make the repayment of her existing finance in full.

Mrs O said she'd been affected financially as she had to take out a loan to repay the finance. She says this has caused her a great amount of stress.

In February 2025, Mrs O brought her complaint to our service where it was passed to one of our investigators to look into.

In April 2025, SFS issued their final response to Mrs O's complaint. In summary, they upheld her complaint about the VT process. They confirmed the car had been returned and the agreement closed. SFS said they would remove any credit file markers for October 2024 as a gesture of goodwill.

The response also addressed concerns Mrs O had with the end-of-contract charges. It said Mrs O was responsible for maintaining her vehicle and for any loss or damage to it. Following an inspection of the car on collection, some end-of-contract charges were identified. However, SFS agreed to waive all outstanding damage charges and remove any impact to her credit file.

Mrs O was unhappy with SFS's decision. She said it didn't address the issue of her having to take out a loan to repay an additional £5,000 she was asked to pay when she returned the car, and that SFS was still requesting she pay an open credit account for £700 and had placed a marker on her credit file for it. Mrs O asked that our investigator continue their investigation into her complaint.

In October 2025, our investigator issued their view and recommended that Mrs O's complaint should be upheld. The investigator concluded that SFS could have done more to explain the process of repaying the full amount when she decided to VT her agreement. They recommended that SFS pay Mrs O £150 in compensation for the distress and inconvenience caused.

SFS accepted this recommendation. Mrs O didn't. She responded to say she'd lost out financially as a result of what she was told over the phone and felt the recommendation from the investigator was insufficient. Mrs O asked that her 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.

Mrs O complains about a conditional sale agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs O's complaint about SFS.

My starting point is that neither party appears to dispute that Mrs O was given incorrect information over the phone when she enquired about the VT of her agreement. SFS accepted the investigator's view of the complaint, and Mrs O has reiterated what she was told.

What remains in dispute is what the fairest resolution should be. Mrs O says the call recording of the conversation in which she received the advice is important; however, SFS has been unable to retrieve it.

Even if the recording were available, I'm not persuaded it would change the outcome. Mrs O's main concern is that she felt she had no choice but to take out a loan to repay the outstanding balance following the VT. Although the investigator concluded that SFS could have provided clearer information about repaying the balance — and I agree with that finding — I don't think SFS is responsible for Mrs O's decision to take out a personal loan.

Mrs O hasn't disputed that the amount of £3,650.47 was owed. I acknowledge that she believed she could repay it over a longer period, but aside from what may have been said during the phone call, I've seen no documentation or correspondence confirming this. I also acknowledge that SFS accepted the investigator's findings.

All things considered, this appears to have been a misunderstanding that contributed to Mrs O's decision to take out a personal loan. It's likely that, had she been unable to repay the full balance in one go, an affordable repayment plan could have been discussed with SFS.

While I recognise the financial difficulty Mrs O faced, I don't consider the personal loan to have been her only option — even if using one might have avoided a payment arrangement being recorded on her credit file.

That said, I still don't consider SFS responsible for the personal loan or for Mrs O's decision to take it out. I think the fairest outcome is for SFS to pay compensation, as it's likely they didn't explain the process as clearly as they could have. I also consider that SFS should refund the £12 credit they confirmed is on Mrs O's account, as this should be available for her to reclaim.

In the circumstances of this complaint, I agree with the investigator that £150 is a fair recognition of the distress and inconvenience caused to Mrs O.

My final decision

My final decision is that I uphold Mrs O's complaint about Stellantis Financial Services UK Limited trading as Vauxhall Finance and instruct them to:

- Refund to Mrs O the £12 from her account credit
- Pay Mrs O £150 in compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 2 March 2026.

Benjamin John
Ombudsman