

The complaint

Mrs H is unhappy that Stellantis Financial Services (UK) Limited (“Stellantis”) took the balloon payment due at the end of her credit agreement without her permission.

Any reference to what Stellantis said or did includes anything said or done on its behalf.

What happened

The parties are familiar with the details of the complaint, so I will briefly summarise them here.

In December 2020, Mrs H was supplied with a used car through a hire purchase agreement with Stellantis. The agreement was set to run for 48 months, with 47 payments at £275 followed by a final optional payment of £5,325 to keep the car. At the time of supply, the car was around 12 months old.

On 7 January 2025, Mrs H complained to Stellantis. She said it took a payment too early, and then took the final payment of over £5,000 causing her bank account to run into an unauthorised overdraft. Mrs H said Stellantis did not have her permission to take the payment. She said she tried to speak to Stellantis about the payment but she found contact difficult. At her request, Mrs H’s bank recalled the payment and she settled the balance in the following months.

Stellantis said the final payment was taken in line with the agreement and it had given Mrs H prior notice that the payment would be taken. When the payment was recalled, Stellantis instructed a collections agency to recover the outstanding balance. Because Stellantis took the payment in line with the hire purchase agreement, it didn’t think it had done anything wrong.

Mrs H brought her complaint to this service. She thought Stellantis ought to pay compensation in recognition of failing to tell her about the final payment and for the distress caused by taking more money from her account than she had available.

Our investigator didn’t uphold Mrs H’s complaint. She said Stellantis had contacted Mrs H about the payment and given reasonable notification that it would be taken. Our investigator also said the payment was in line with the agreement and, as Mrs H hadn’t told Stellantis of her intentions at the end of the contract period, it was not unreasonable that it requested the payment.

Mrs H didn’t agree. She provided further submissions in which she said that it was difficult to speak with Stellantis and she only received automated replies to her emails. Mrs H also said that in her original credit agreement the balloon payment was due in January 2025, not December 2024.

Our investigator responded to the further comments but, because Mrs H didn’t agree, the complaint has been passed to me to make 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.

I won't comment on every point or piece of evidence – our rules don't require me to. But I have considered everything submitted for my consideration in reaching my decision. Having done so, I've decided not to uphold Mrs H's complaint. My reasons are broadly the same as those set out by our investigator, so I'll focus on the key points and refer to the relevant evidence where I think it helps explain why I've decided not to uphold Mrs H's complaint.

Early payment

Mrs H complained that Stellantis took a direct debit payment too early, causing her financial problems.

The credit agreement confirms that payment would be taken one month after the date the funds were supplied and on the same date each month thereafter. The agreement sets the date as 19th of each month.

I've looked at the statement of account and the record of contact between Mrs H and Stellantis. I see that Mrs H asked to change her payment date in each of March, April and May 2024, but each time her request was too late to stop the existing direct debit request. After the June payment, Mrs H made a successful request to change the payment date to 29th of each month.

It's clear from the evidence that Mrs H was aware that Stellantis would be taking the payment on the usual date of 19th of each month. So I don't agree that it took payment too early. Rather, it had not been given sufficient opportunity to move the payment to a later date as Mrs H wanted. Therefore, I find that Stellantis took payment in line with the agreement and that it was Mrs H's responsibility to ensure sufficient funds were available.

I do not uphold this element of complaint.

Balloon payment

Mrs H said Stellantis took the balloon payment of £5,325 from her account without her permission. She also said it was not due until January 2025, but the payment was taken in December 2024 causing her account to become overdrawn.

The credit agreement date is 19/21 December 2020. Mrs H signed the direct debit mandate on 19 December 2020. The credit agreement states that the first of the repayments must be paid on the date falling one month later and the remaining repayments must be paid on the corresponding date of each subsequent month. So, the first payment would've been due on 19 January 2021, and the final payment would've been due on 19 December 2024. I have not seen any evidence that the final payment was due in January 2025.

As I've said, during the term of the agreement Mrs H arranged for the payment date to be moved to 29th of each month. The credit account statement shows that the final payment was taken on 29 December 2024. As this date is in line with Mrs H's preferred later date rather than the earlier date set out in the credit agreement, I can't fairly conclude that Stellantis took the payment too early.

I've thought about Mrs H's complaint that Stellantis took the balloon payment without her permission. However, she signed the credit agreement which set out the 48-month term and

her final payment is simply that - the last of the 48 monthly repayments Mrs H authorised Stellantis to take when she signed the credit agreement. So, in short, Mrs H gave permission to Stellantis to take the final payment in December 2024 in line with the credit agreement.

The credit agreement does set out that Mrs H could return the car rather than making the final payment. To do so, she would have needed to follow the steps set out in 13.2.1 of the terms and conditions, which include obtaining a condition report and giving Stellantis at least 14 days' notice of her decision to return the car. I have not seen any evidence that Mrs H told Stellantis she wished to return the car. Indeed, in her submissions, Mrs H said she'd planned to keep it.

Within the evidence, I have seen the correspondence Stellantis sent to Mrs H in which it gave her advance notice that her credit agreement was coming to an end and setting out her options. The letters were issued in August 2024 and October 2024, and the October letter confirmed the final payment date as 29 December 2024. Therefore, I'm satisfied that Stellantis provided Mrs H with notifications regarding her option to return the car and prevent the final payment being taken.

Overall, I don't find that Stellantis took the final payment either too early or without permission. Therefore, I don't uphold this element of complaint.

Communication

Mrs H said that Stellantis was difficult to communicate with. She mentioned that the emails came from unmonitored addresses so she couldn't reply to them. She also said that she spent too long on hold and calls were answered by agents outside the UK. While I don't doubt that Mrs H found communication difficult as she described, I haven't seen anything in the evidence to suggest that Stellantis did anything significantly wrong. Various communication methods were available, and Stellantis clearly issued letters, by email, with important information and at the appropriate times.

In the absence of any clear evidence, I don't find that there was a significant shortfall in service causing Mrs H financial detriment that would warrant any compensation.

My final decision

For the reasons explained, I don't uphold Mrs H's complaint about Stellantis Financial Services (UK) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 12 February 2026.

Debra Vaughan
Ombudsman