

## The complaint

Mr U complains that a car supplied to him under a conditional sale agreement with Stellantis Financial Services UK Limited was of an unsatisfactory quality.

## What happened

I issued a provisional decision setting out what I thought about Mr U's complaint. I've copied the relevant parts of that provisional decision below – and they form part of this final decision.

*“In May 2024, Mr U was supplied with a used car through a conditional sale agreement with Stellantis. The cash price of the car was £12,046. He paid a deposit of £9,600 and the agreement was for £2,446, to be repaid over 58 monthly payments of £54.92. At the time of supply, the car was around seven years old, and had travelled 74,155 miles.*

*Around three months after the car was supplied, Mr U says he started experiencing problems with it. He said an engine light would illuminate and the car would enter limp mode whenever he drove more than 60mph or uphill. He said this made the car impossible to drive safely on a motorway which significantly impeded his use of it. Mr U contacted his warranty provider as well as the dealership, who suggested that he obtain a diagnostic report. Mr U took the car to a local garage for a diagnostic scan, and they were unable to identify any faults. Around the same time, Mr U says the car started overheating and he arranged a repair at his own cost – which the dealership and warranty provider paid contributions towards.*

*In January 2025, Mr U made a complaint to Stellantis. He said he'd lost faith in the car and wanted to reject it. Stellantis said that because he'd had the car for more than six months, it was for Mr U to demonstrate that there was a fault at the point of supply. It didn't think Mr U had provided enough evidence to show there was a problem, as the garage who inspected the car couldn't identify a fault. Mr U took the car to a second garage in June 2025, but they also weren't able to diagnose a fault.*

*The complaint was referred to this service. One of our Investigators considered the complaint, but didn't think there was enough evidence to show the car was faulty at the point of supply. Mr U didn't agree. He provided an email from his warranty provider showing that he first experienced the fault as early as October 2024. He said he'd provided video evidence showing the problem – and that it wasn't his fault that his garage hadn't been able to find the issue. He asked for the complaint to be referred to an Ombudsman for a final decision. So, it's been passed to me to decide.*

*I wrote to Stellantis to explain that – based on the photos and videos Mr U had provided – there did appear to be a problem with the car, even if the specific nature and extent of the fault hadn't been determined. I invited Stellantis to arrange an independent inspection of the car to determine the fault – and asked if it would be willing to arrange a repair or otherwise allow Mr U to reject the car. Stellantis said it was for Mr U to arrange an inspection to demonstrate the nature of the fault, and that it couldn't agree any repairs or other action until this happened. It said it would refund the cost of an inspection if the complaint was upheld.*

## **What I've provisionally 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.*

*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 decision on the balance of probabilities – what I think is more likely than not 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. Mr U was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.*

*The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr U entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that 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 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.*

*So, if I thought the car was faulty when Mr U 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.*

*In this case, the car was around seven years old and had travelled nearly 75,000 miles at the point of supply. I think a reasonable person would expect a car of this age and mileage to be supplied with significantly more wear and tear – and to require repairs and maintenance sooner – than a newer or less travelled one would. But I think a reasonable person would expect the car to be free from significant faults at the point of supply, and to be sufficiently safe and durable.*

*I've carefully considered the evidence available, which includes Mr U's testimony, to decide whether I'm persuaded the issues he has described were more likely than not linked to a fault with the car.*

*Mr U says the car consistently goes into limp mode and that an engine light illuminates whenever he drives at speed or uphill. He's arranged two diagnostic scans – neither of which identified a fault. He's also provided photos and videos showing the problem occurring as he describes as soon as the car's speed exceeds 60mph.*

*In the absence of mechanical evidence of a fault, I've considered whether Mr U has shown that there is one – on the balance of probabilities. While diagnostics have been inconclusive, Mr U has provided clear evidence showing that he's experienced a problem with the car. But a problem while driving doesn't necessarily mean there's an inherent fault – as problems can also be caused by routine maintenance issues or external factors. I've considered this, but I'm not persuaded the car has any ongoing maintenance issues that would explain the problem Mr U has reported. I think if there was – or the problem was caused by something other than a fault with the car - this likely would have been noted by the garages who*

*attempted to diagnose the problem.*

*I've carefully considered what Mr U has told us about his experience with the car and note he has been consistent throughout his testimony to Stellantis, the warranty provider and this service. I've considered what Stellantis has said about no faults being identified, but it's clear the fault only occurs intermittently under specific circumstances. From the information I've seen, it appears that while diagnostic reporting was carried out, the car wasn't test driven in the conditions described by Mr U. I also think it's highly unlikely Mr U would go to the trouble of arranging inspections, making a warranty claim and complaining to Stellantis about the car, if the issue didn't occur as he described.*

*Mr U reported the problem to Stellantis in January 2025 – and to the dealership before that. Despite Mr U providing evidence of the problem, Stellantis hasn't taken steps to look into things further. I think when Mr U was unable to obtain a diagnosis it would have been reasonable for Stellantis to arrange its own investigations. I also invited Stellantis to arrange an independent inspection of the car – but it declined. Taking into account the information that is available, I'm satisfied Mr U has demonstrated that the car has a fault, even if the exact nature and extent of the fault hasn't yet been identified. I don't think Mr U needs to show what's causing the fault – only that there is one. And for the reasons I've explained I'm satisfied he has.*

*Mr U has also provided details of a repair carried out in November 2024, which he says was because the car was overheating. I've seen a repair invoice showing the cam belt, water pump and thermostat were replaced. I understand both the warranty provider and dealership agreed to contribute to the cost of this repair, and that Mr U paid the rest. While I haven't seen mechanical evidence of the problem, as the dealership and warranty provider both agreed to contribute to the cost it seems likely the repairs were necessary due to some failure of these parts.*

*Under the CRA, faults which occur within six months are assumed to have been present or developing at the point of supply – unless there's evidence to suggest otherwise. In this case, Mr U says he first experienced the fault around three months after supply. He's provided an email from his warranty provider stating that he called on 1 October 2024 to report that the car was unable to accelerate on the motorway as it was going into limp mode, and that the engine service light was illuminated.*

*Based on this, I'm reasonably satisfied the fault first presented itself within six months of the car being supplied to Mr U. I haven't seen any evidence to persuade me that the fault developed after the car was supplied. I don't think a reasonable person would expect a car of this age and mileage to be supplied with a fault that causes it to go into limp mode at speed. So, I'm satisfied the car wasn't of a satisfactory quality when it was supplied to Mr U.*

### **Putting things right**

*As I'm satisfied the car wasn't of a satisfactory quality at the point of supply, I've considered how things should be put right for Mr U. Mr U says he's lost faith in the car and no longer wants it – so he's asked to reject it.*

*As noted above, I previously asked Stellantis whether it would be willing to repair the car. I've now reconsidered the matter. Having done so, I intend to say Mr U should be able to exercise his right under the CRA to reject the car. I'll explain why.*

*Under the CRA, a consumer can reject a car that is of an unsatisfactory quality within 30 days of supply. After the first 30 days, the car can only be rejected after the business has had an opportunity to repair or replace it. If a repair is attempted and fails, the customer has*

*the final right of rejection at that point. But any repairs should also be carried out within a reasonable time, and without significant inconvenience to the consumer.*

*Mr U first made Stellantis aware of the problem in January 2025. I've already explained why I think he's provided sufficient evidence to suggest there's a fault. Stellantis has now had nearly a year to arrange an inspection and repair of the car but hasn't done so. During this time Mr U has had to continue using the car with the fault. Taking this into consideration, I don't find that Stellantis has met its obligation to arrange a repair in a reasonable time or without significant inconvenience to Mr U. Given that the nature and extent of the fault has yet to be identified, I can also understand why Mr U has little confidence in any repairs being timely or successful.*

*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. 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. As I've noted, Mr U's car was already subject to a repair in November 2024, and the dealership contributed to this cost.*

*Considering all of the circumstances, I think the fairest way forward would be for Mr U to be able to reject the car. This means Stellantis should collect the car at no cost to Mr U and end the agreement, ensuring Mr U is not liable for any further monthly payments after the point of collection. It should also refund the advance payment paid by Mr U.*

*Mr U has had use of the car since it was supplied to him. But I'm satisfied not being able to confidently drive the car over 60mph will have significantly impaired his use and enjoyment of it. Taking this into account, I think it would be fair for Stellantis to refund some of the payments he made. Considering the nature of the fault, I think 20% of the payments is a fair reflection of impaired use and enjoyment here. As the first evidence of the fault is dated 1 October 2024, a refund should be calculated on payments made from that date up until the end of the agreement.*

*Mr U has also arranged diagnostic reports at his own cost. I'm satisfied these costs wouldn't have been incurred if the car was of a satisfactory quality when supplied. If it hasn't already, Stellantis should reimburse these. I've seen two diagnostics invoices – for £24 and £70.*

*I also understand Mr U paid a contribution towards the replacement of the cambelt, thermostat and water pump due to the overheating issue. Given that the dealership and warranty provider both agreed to contribute to the repairs, it seems likely that the parts failed. Once the agreement ends Mr U will no longer have the car or the benefit of the repairs he paid for. In these circumstances I think it would be reasonable for the costs contributed by Mr U to be reimbursed. Based on the emails Mr U has provided, the dealership contributed the cost of the thermostat (£240), and the cost of the water pump and associated labour was covered under warranty (£266.39). The total cost of the repairs including labour was £1,260. While the invoice isn't itemised, the contributions for the thermostat and water pump left the cambelt cost for Mr U to pay.*

*The invoice Mr U has provided is unpaid. Deducting the contributions from the dealership and warranty provider appears to have left £753.61 for Mr U to pay. Mr U should provide evidence – such as a paid invoice, receipt or bank statement – showing the contribution paid by him. He can provide this evidence in response to this provisional decision, or to Stellantis directly.*

*Discovering that the car has a potentially significant fault a few months after it was supplied would have caused some frustration to Mr U, and he had to arrange his own diagnostics in an attempt to demonstrate the problem. He also had to arrange other repairs. This wouldn't have been necessary had Stellantis supplied him with a car that was of a satisfactory quality. So, I think Stellantis should pay Mr U an additional £150 compensation to reflect the distress and inconvenience caused."*

## **Responses to my provisional decision**

Mr U said he accepted my provisional decision. He provided a new repair invoice suggesting that the balance had been paid.

Stellantis didn't respond to my provisional 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.

As neither party has disagreed with the conclusions outlined in my provisional decision, I see no reason to depart from them. Mr U has provided a new copy of the repair invoice suggesting the balance has been paid – however I note that the balance is slightly lower than in the previous invoice.

As the amount actually paid by Mr U is unclear from the two invoices, Stellantis should reimburse his contribution on receipt of evidence of the amount he paid (such as a bank statement or receipt). As previously noted, the evidence I've seen shows the dealership and warranty provider agreed to contribute a combined total of £506.39 towards the invoice. My overall conclusion that Mr U's contribution should be reimbursed – upon clear evidence of that contribution – remains the same.

So, I've reached the same overall outcomes as outlined in my provisional decision – for the same reasons. It follows that I uphold Mr U's complaint.

## **Putting things right**

For the reasons I've explained, I require Stellantis to:

- End the agreement ensuring Mr U is not liable for payments after the point of collection and take the car back without charging for the collection;
- Refund the £9,600 advance payment Mr U 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);
- Remove any adverse information recorded on Mr U's credit file in relation to this credit agreement, and the credit agreement should be marked as settled in full on his credit file, or something similar, and should not show as voluntary termination.
- Refund 20% of all monthly payments Mr U has made under the agreement from 1 October 2024 until the end of the agreement;
- Refund the diagnostic costs incurred by Mr U (£24 and £70);
- Refund the contribution Mr U paid towards the repairs outlined above, on receipt of evidence of the amount contributed by Mr U;

- Apply 8% simple interest per annum to the above refunded amounts, calculated from the date Mr U made the payments to the date of settlement<sup>†</sup>; and
- Pay an additional £150 to compensate Mr U for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

<sup>†</sup>If Stellantis considers that tax should be deducted from the interest element of my award, it should provide Mr U with a certificate showing how much it has taken off so he can reclaim that amount, if he is eligible to do so.

### **My final decision**

My final decision is that I uphold Mr U's complaint. I require Stellantis Financial Services UK Limited to carry out the directions outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 6 February 2026.

Stephen Billings  
**Ombudsman**