

The complaint

Ms A complains that a car acquired under a conditional sale agreement with Stellantis Financial Services UK Limited (“Stellantis”) wasn’t of satisfactory quality when it was supplied to her.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In November 2019, Ms A entered an agreement to acquire a new car. She paid a deposit of £16,500, with the purchase balance being provided under a conditional sale agreement with Stellantis. The agreement was for 48 months, with 48 monthly repayments of £400.88. The cash price of the car was £35,021.50.

Ms A has said that she experienced problems with the car emitting black smoke shortly after being supplied with it, but despite regular servicing of the car no faults were identified. Then in August 2024, she needed to call a breakdown recovery company. The car was taken to a local garage and was found to have a problem with an AdBlue injector, and this was replaced at Ms A’s expense.

In December 2024, the car experienced more faults and became undrivable. It had covered approximately 43,000 miles at this point. It was recovered to a local garage again, and it was diagnosed with a stretched timing chain. Ms A was told this part needed replacing, along with other parts of the engine system – and she was given a quote to repair for approximately £6,300.

Ms A contacted Stellantis in January 2025 to complain. She said the car wasn’t of satisfactory quality, and she wanted to reject it. Stellantis took longer than expected to respond to Ms A’s complaint, and they didn’t uphold it. They said the agreement had ended in 2023 and, in accordance with the Consumer Rights Act 2015 (“CRA”), the onus was on Ms A to show the faults she’d experienced in 2024 would have been present or developing at the point of supply and weren’t as a result of wear and tear. They didn’t feel she had done this. Stellantis did pay Ms A £150 as they had taken too long to provide her with an outcome to her complaint.

Ms A brought her complaint to our service. Our investigator upheld it. She said that Ms A had maintained and serviced the car in accordance with the manufacturer’s instructions and she didn’t think the car had been sufficiently durable when she considered its age and mileage. She said Ms A could either allow Stellantis the opportunity to repair, or she could reject the car. She said Stellantis should pay Ms A the current market value if the car was rejected, and they should pay her the equivalent of her monthly payments from December 2024, as she hadn’t been able to use the car from that date and had had to hire a car to keep mobile. Additionally, she asked Stellantis to refund Ms A the cost of her diagnostic report, her tax and insurance on the car from December 2024, and finally, to pay Ms A £350 compensation to reflect the upset caused by being supplied with a car of unsatisfactory quality.

Neither Stellantis nor Ms A accepted our investigator's opinion. Stellantis felt it was unfair to have to pay the equivalent of Ms A's previous monthly payments as the agreement had ended in 2023 and no payments had been received since then. Ms A felt she should be entitled to more compensation, as the impact on her and her underlying health conditions had been significant, and she didn't think this had been taken into account.

As neither side agreed, the complaint has been passed to me for a 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Firstly, I'd like to say that Ms A has described the impact this situation has had on her and ongoing health conditions. It hasn't been easy for her to share those concerns with our service, and I thank her for doing so. I'm sorry to hear of the strain this matter has placed on her.

As the conditional sale agreement entered by Ms A is a regulated consumer credit agreement this service is able to consider complaints relating to it. And Stellantis are also the supplier of the goods under this type of agreement.

In this case, there doesn't seem to be any dispute that the car supplied by Stellantis to Ms A was of unsatisfactory quality at the point of supply. Or rather, it hasn't been sufficiently durable when it's considered it was a new car, and the age and mileage of it when it became undrivable. Our investigator has explained that Ms A maintained and serviced the car in accordance with the manufacturer's recommendations, and the car wouldn't be expected to demonstrate the faults it did at the time it did having been maintained and serviced correctly. For completeness, I agree that the car hasn't been sufficiently durable in line with the CRA. So, all I need to decide on is the best way to decide this complaint.

The CRA explains that Stellantis should be allowed one opportunity to repair the car. And this is the option that Stellantis would like to pursue. However, the CRA also explains that the repair should be completed in a reasonable timeframe and without significant inconvenience to the consumer. In this case, Stellantis were aware of Ms A's concerns with the car in January 2025 and decided to reject her complaint in July 2025 without any research into how she had maintained and serviced the car. Had they done this, they would have had the opportunity to instruct repairs at that stage. By not doing this, I'm not satisfied that they have pursued the repairs in a reasonable timeframe or without significant inconvenience to Ms A. She has been without use of the car since December 2024. So, it follows that I'm more satisfied than not that Stellantis should now take the car back from Ms A – in essence, allowing her to reject it due to its lack of durability. I'm persuaded that is now the fairest way to resolve the complaint.

The CRA allows for damages to be paid following a breach of contract. Here, I'm satisfied the most reasonable way to resolve the issue is for Stellantis to pay Ms A the current market value of the car as a result of the breach of contract. The current market value has been determined at £18,384 in one of the industry motor valuation guides used by our investigator, and my decision is that Stellantis should pay this to Ms A upon collection of the car – which they should arrange at their own cost.

Ms A is also claiming other damages or financial losses as a result of the breach of contract. She has shown that she had to hire a car for around £800 a month from January 2025 as she needed to keep mobile. But there is a lot to think about when deciding whether losses should be payable in these sorts of situations. I need to think about whether the losses were directly flowing from the breach of contract, whether Ms A has tried to mitigate her losses; and whether they were reasonably foreseeable or too remote.

The difficulty here is I'm not satisfied I've got sufficient information to award the full additional amount Ms A has paid to continue to hire a car. I can't see what steps she might have taken to mitigate her losses, and it wouldn't be fair to award her all her hire costs, as she needed to pay something to keep mobile. That said, the hire costs have only been incurred as a result of the car supplied by Stellantis being insufficiently durable, and I'm satisfied Ms A should receive something toward her additional costs.

Our investigator has explained that she thinks Stellantis should pay Ms A the equivalent of her contracted monthly repayments - £400.88 each month since December 2024. There isn't an exact science for me to use here, and there isn't any industry standard guidance. But I'm satisfied the previous contracted monthly repayment amount is the most reasonable option here, and I'm satisfied that helps to reflect the time Ms A more accurately has been without use of the car.

Ms A has said she didn't have the suitable space to declare the car SORN in December 2024 and it has had to remain on the road. To enable that to happen, she has had to maintain the tax and insurance payments. I'm directing Stellantis to reimburse those costs to Ms A – subject to her providing them with proof of both. Ms A also paid to have a diagnostic test done on the car to determine the faults, and Stellantis should reimburse her for that too.

As previously mentioned, Ms A has explained the impact this situation has had on her health, and it has exacerbated her existing health concerns. I'm very sorry to hear this. However, I need to point out that I'm not able to award for long term health issues as a consequential loss, or damages. These are known as claims for loss of amenity. If Ms A considers there is a wider claim in relation to her health here, then before accepting my decision she might wish to take appropriate legal advice as to how my award (and her acceptance of it) might impact any other claims she might be considering.

Deciding compensation isn't an exact science. And issues and problems in everyday life are expected when a complaint needs to be raised. However, I'm satisfied Ms A experienced more than the usual problems you might expect in everyday life, and it went on for some time. I'm also more satisfied than not that the issues with the car and her claim for rejection and reimbursement have caused Ms A considerable inconvenience, upset and worry. No amount of money can change what's happened – but the award I'm making reflects what's awarded in the circumstances explained by Ms A. I'm directing Stellantis to pay Ms A £350 to recognise the upset she's been caused by being supplied with a car that wasn't sufficiently durable. This award is on top of the £150 Stellantis have already paid to Ms A for taking too long to address her original complaint.

I'd like to remind Ms A that she's able to reject this decision if she thinks she can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I uphold this complaint. Stellantis Financial Services UK Limited must:

- Take the car back (if this has not been done already) without charging Ms A for collection.
- Pay Ms A £18,384 for the car.
- Pay Ms A £400.88 for each month she's been without use of the car – from December 2024 until the date of settlement.
- Refund Ms A £165 to cover the cost of the diagnostic report she had completed.
- Refund Ms A's tax and insurance costs incurred from December 2024, as the car has been out of use since that date (subject to Ms A providing evidence of those costs to Stellantis).
- Pay 8% simple interest on all refunded amounts, from the date of payment until the date of settlement.*
- Pay Ms A £350 compensation to reflect the upset she's been caused by being supplied with a car of unsatisfactory quality.
- Remove any adverse information, in relation to this agreement, from Ms A's credit file (if applicable).

*If Stellantis Financial Services UK Limited consider that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Ms A how much they've taken off. They should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

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

Kevin Parmenter
Ombudsman