

The complaint

Mr L complains about a car supplied to him using a conditional sale agreement taken out with Stellantis Financial Services UK Limited trading as Vauxhall Finance (“Stellantis”).

What happened

In January 2020, Mr L acquired a brand-new car using a conditional sale agreement with Stellantis. The cash price of the car recorded on the agreement was £22,543.94, the agreement was for 48 months, made up of 47 regular, monthly repayments of £308.97, followed by a final payment of £5,481. The deposit payment recorded on the agreement was £4,800.

Mr L experienced issues with the car and in April 2022, the engine was replaced under warranty at 30,775 miles, along with other related parts.

In October 2023, Stellantis sent correspondence to Mr L and informed him of his options as his agreement with them was nearing an end; those being to purchase the car outright, part exchange it or return the car to them.

Later, in early 2024, Mr L explained to Stellantis that he had issues with the car’s engine again and that it was being investigated. Mr L said he intended to make the final repayment to purchase the car outright, but only once he knew the outcome of what was wrong with the car.

The car was diagnosed as requiring another engine replacement, but later, Mr L said he was told that Stellantis refused further repairs as a service hadn’t been completed on the car in 2022. Mr L disputed this as he said the car had been serviced and essential maintenance completed on it when its engine was replaced.

Mr L complained to Stellantis in February 2024, and Stellantis issued their final response to Mr L in April 2024. They explained that they didn’t uphold Mr L’s complaint and invited him to discuss his options again with them, given that they believed the agreement had come to an end.

In July 2024, Stellantis sent Mr L a default notice as the outstanding balance, which was the final payment owed under the agreement hadn’t been paid. Mr L had until August 2024 to make the payment and was told that Stellantis may take steps to repossess the car.

Unhappy with Stellantis’s response, Mr L referred his complaint to our service in August 2024.

Stellantis repossessed the car and sold it at auction, applying the proceeds from the sale to the outstanding balance remaining on Mr L’s account. Mr L said he had personal belongings in the car to the value of around £1,000.

In February 2025, our investigator upheld Mr L’s complaint and found that the car wasn’t supplied of satisfactory quality. The investigator explained what Stellantis needed to do to

put things right as she thought the car should be allowed to be rejected due to a failed repair. Both Mr L and Stellantis initially agreed to this.

Later, both parties were unable to resolve things as the investigator set out and Stellantis put forward an alternative remedy. Among other things, Stellantis offered to reimburse the cost of repairs, 50% of monthly repayments made from February 2024 to November 2024, credit on the account of £1,306 which Stellantis say is due back to the consumer and pay him £450 for the distress and inconvenience caused.

Mr L declined the alternative remedy put forward.

Our investigator explained that her findings remained the same. Mr L disagreed with the investigator's further findings. Among other things, Mr L thought he should be reimbursed costs incurred in hiring a car from February 2024. Mr L also didn't think he had abandoned the car and so thought that Stellantis repossessed it unfairly.

As Mr L disagreed with the investigator's findings, the complaint was passed to me to decide.

I issued a provisional decision on 20 January 2026 where I explained why I intended to uphold Mr L's complaint. In that decision I said:

"I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr L complains about a car supplied to him under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr L's complaint about Stellantis.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Stellantis here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Mr L acquired was brand-new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

It isn't in dispute here that the car developed a fault. I say this because while the car was in Mr L's possession, it required significant repairs to it in April 2022 and required an engine

replacement. Later, in early 2024, the car again was diagnosed in needing another engine replacement.

Given that neither party has disputed this, I'm satisfied that the car had a fault, which required an engine replacement.

Was the car of satisfactory quality at the point of supply?

Given the car was brand-new when it was supplied to Mr L, I'm satisfied the car wasn't durable. I wouldn't expect there to be a need to replace items such as the engine on multiple occasions so early in the car's lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Mr L.

Mr L was told at around February 2024 that the car required another replacement engine. I think it is likely that previous repairs had failed, or there was an underlying issue that was never previously put right. Considering things here, I think Mr L should have been allowed to reject the car in February 2024.

What I now need to consider is whether the offer Stellantis made to Mr L was fair and reasonable to put things right, or if it needs to do anything further.

Repossession of the car

Since Mr L raised a complaint with Stellantis, there has been significant developments which further complicates matters. Firstly, by February 2024, regular, monthly repayments that were due under the agreement had reached its term and the only payment left remaining was the final repayment, commonly referred to as the "balloon payment". This payment was never made by Mr L, even after he was informed that no further repairs would occur under the warranty.

The car was also never collected by Mr L from the repairing garage, despite Stellantis contacting him about next steps and the repairing garage attempting to arrange Mr L to collect the car.

This resulted in Stellantis repossessing the car after several months as they thought it was abandoned and left at the repairing garage. They say they did this as the car was still their asset.

I think Stellantis had acted reasonably here. While I appreciate Mr L's comments that the car wasn't abandoned, Stellantis were neither in receipt of the final repayment due under the agreement or in possession of their asset, several months after the final payment was due.

The refund of any repair costs and losses

My understanding is that repairs took place under warranty, other than tyres which required replacing – and Stellantis has agreed to reimburse this amount. I think this is fair in the circumstances. Mr L also said that he had repairs carried out to the car's master cylinder in June 2023. But as no evidence has been supplied to support what Mr L has said, such as invoices for losses incurred, I won't be asking Stellantis to do anything further in relation to it.

Stellantis's offer to reimburse Mr L 50% of monthly repayments made between February 2024 and November 2024, instead of paying for the hire costs Mr L says he incurred

It is worth noting that there weren't any monthly repayments either owed under the agreement or paid under the agreement between February 2024 and November 2024. As

I've explained above, the only payment which was due between that time was the final payment under the agreement, which was the balloon payment. So, thinking about Stellantis's offer here, it seems they used the monthly repayment figure which Mr L was paying towards the agreement for the first 47 months to calculate the 50% they were happy to compensate him for. I don't think this is a fair offer here to either party.

I also don't think it is fair for Mr L to be reimbursed the costs he has incurred in hiring another car between February and November 2024. The car hired was not the same make and model as the car supplied under the agreement. Mr L told Stellantis he paid around £12,235 to hire another car over this period. So, Mr L hired a car which cost him over £1,150 per month. I don't think it would be fair to Stellantis to reimburse the cost Mr L says he has paid to hire another car. I say this because Mr L wasn't making repayments towards the agreement at the time.

A fairer way to resolve things

As I'm not satisfied that Stellantis's offer is fair, I've considered what is likely to have happened, had there not have been an issue with the car. In this instance, the agreement had almost run its course before Mr L experienced another issue with the car's engine. I have seen contact notes between Mr L and Stellantis which suggests that Mr L was intending to retain the car and make the final payment owed under the agreement, but he was waiting to see the diagnosis of the car first. Mr L has also informed our service that he wanted the car repaired. So, I think it is fair to say that he intended to pay the final payment of £5,481 and retain the car (had the issue with it had been resolved and the car not repossessed).

As the car was subsequently sold at auction, it deprived Mr L of the car and an asset he was intending to retain. And while he could have acquired this car for £5,481 (the final payment), it doesn't mean he could have necessarily acquired a like-for-like car for that amount at retail.

Considering the above, I have obtained a market valuation for Mr L's car in April 2024, with its mileage at 43,031 miles, using a third-party valuation tool. It's market value i.e. retail value, which Mr L would have likely had to pay had he opted to buy a like-for-like-car was £9,947. This is also the estimated amount Mr L would have been able to sell the car privately, had he been able to pay the final payment and retain the car as his own asset.

So, I think a fairer way to resolve matters here is for Mr L to be reimbursed the difference between the final payment, which is what he would have paid for the car (£5,481), and the market value of the car, which is the amount he could have sold it privately for (£9,947). So, I think Stellantis should pay Mr L £4,466.

Loss of personal belongings

Mr L said he lost belongings totalling around £1,000. From contact notes I have seen, the auction house checked the car, and nothing was found of value within it. I've thought about things here and I'm mindful that the car was returned for repairs prior to it being repossessed. I think it is likely that anything of value would have been taken out of the car, given it was handed in for repairs and that the car wasn't in Mr L's possession for several weeks and months. Also, I'm mindful that no evidence has been provided to support what Mr L has said. So, I won't be asking Stellantis to do anything further in relation to this.

Removal of adverse entries on Mr L's credit file

Given that a repair or rejection wasn't accepted in early 2024, as it should have been as the car was of unsatisfactory quality, I'm satisfied that any adverse information in relation to this complaint should also be removed from Mr L's credit file.

Distress and inconvenience

Stellantis offered Mr L £450 for the distress and inconvenience caused by this complaint. Given the mistake that Stellantis had made in not accepting rejection of the car when it should have, and that the impact this mistake has had on Mr L, I'm satisfied that this amount is fair and reasonable in the circumstances."

I set out that I intended to uphold this complaint. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to the provisional decision

Mr L responded and said among other things, that:

- He didn't receive any warning or communication that the car was to be repossessed.
- He was advised that the car couldn't be returned or traded in because repairs were required to the car.
- His intention was to always make the final repayment, but he was waiting for clarity on whether the car would be repaired.

Stellantis didn't respond to my provisional decision before the deadline I set.

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 don't dispute that Mr L didn't receive any warning or communication that the car was to be repossessed. But given that the final payment hadn't been made and Stellantis didn't have their asset in their possession for several months, I don't think they acted unreasonably by repossessing it.

But in any event, I don't dispute the other comments Mr L has made, which is why I explained I intended to uphold this complaint in my provisional decision. As Stellantis hasn't responded, I'm not persuaded to change my opinion from the provisional decision I made.

In summary, I think Stellantis needs to do more in this instance to put things right.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Stellantis Financial Services UK Limited trading as Vauxhall Finance to put things right by doing the following:

- Pay Mr L £4,466, which is the difference in the amount of the final payment towards the agreement and the market value of the car in April 2024. *
- Reimburse Mr L the cost of the replacement tyres in 2021. Stellantis has already obtained a copy of the invoice and is aware of the amount to be refunded. *
- Pay Mr L £450 to reflect the distress and inconvenience caused.

- Remove any adverse information from Mr L's credit file in relation to this complaint, if any.

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Stellantis considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr L how much it's taken off. It should also give Mr L a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Stellantis has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 March 2026.

Ronesh Amin
Ombudsman