

The complaint

Mr M is unhappy with how Stellantis Financial Services UK Limited dealt with his request to pay the final payment of a conditional sale agreement in instalments.

What happened

In November 2020, Mr M was supplied with a used car through a conditional sale agreement with Stellantis. He paid a £500 deposit and the agreement was for £23,073.25, with 46 monthly payments of £440.82 and a final payment of £7,550.

Mr M fell behind with his payments to Stellantis, and, in December 2024, he advised them he was having serious health issues. Although Stellantis issued a default notice in January 2025, a repayment plan of £550 a month was agreed after an affordability check. However, Mr M didn't maintain the agreed payments to this plan.

In May 2025, Mr M advised Stellantis that he wished to pay the final payment to purchase the car, now the agreement had officially come to an end. On 5 June 2025, he offered to pay them £2,000 a month from June to September 2025. Stellantis acknowledge they didn't receive this email, and that a second default notice had been issued in June 2025. However, they say that the arrears at this time (including the final payment) were £8,208.08.

Mr M submitted a revised repayment plan of three payments of £1,500 and a final payment of £1,790, with payments starting in July 2025. He paid Stellantis £1,100 on 23 July 2025 and £200 on 24 July 2025. No further payments were made under this plan.

Mr M had brought the matter to the Financial Ombudsman Service for investigation in July 2025. Due to his ongoing health issues, and how this was affecting his income, in August 2025 he told us that he was now only able to pay Stellantis £370 a month.

Stellantis, while acknowledging they could've dealt with matters better, and that there were delays in responding to Mr M, said they felt the most appropriate resolution at this stage would be for Mr M to return the car. They said that *"while this may come at a cost to the customer depending on the final account balance and condition of the vehicle, it would help prevent further financial pressure and allow the account to be closed and managed in a fair way."*

Our investigator said that Stellantis had already agreed payment plans with Mr M, which he had failed to adhere to. And they thought Stellantis had treated Mr M with forbearance given his medical condition. But they didn't think this meant that Stellantis had to agree another payment plan with Mr M because he still wanted to keep the car, and they were acting reasonably in asking for it back given the circumstances. So, they didn't think Stellantis needed to do anything more.

Mr M didn't agree with the investigator's opinion. He didn't think Stellantis had taken account of his vulnerabilities, and that they hadn't acted in a way to avoid foreseeable harm – he said their delays in responding to him exacerbated his health conditions, as had their refusal to agree a sustainable and affordable repayment plan.

Mr M didn't think that Stellantis had conducted proper affordability assessments when agreeing payment plans with him in the past and that, to resolve this matter, we should direct Stellantis to *“conduct a documented affordability and vulnerability review [and] implement a reasonable 12-month repayment plan based on verified disposable income.”* He also said that Stellantis should pay him compensation for the distress and exacerbation of his medical condition resulting from their maladministration.

While this matter was waiting to be allocated to an ombudsman, Stellantis terminated the agreement due to the arrears. Mr M disputed the termination, and he offered to clear the outstanding balance of £7,113.08 by 17 April 2026 – he agreed to pay £2,000 by 10 March 2026, £2,500 by 17 March 2026, and the remaining balance by 17 April 2026.

Mr M paid Stellantis £1,600 on 9 March 2026, followed by £1,500 on 18 March 2026. On 20 April 2026, Mr M said that he's now paid a total of £5,100, which left an outstanding balance of £1,623.08. He said that he remains in possession of the car and this outstanding amount would be cleared by 30 May 2026.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. 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 view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

My role is to decide what's fair and reasonable 'in the round', in line with our service's remit. When considering matters, 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. When reaching a decision on what's a fair way to resolve this complaint, I don't have to reach the same view as, for example, a court might reach when considering a breach of contract or misrepresentation.

Mr M was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

As detailed above, the situation has changed since the investigator issued their opinion, and Mr M has continued to pay lump sums to Stellantis to clear the outstanding balance. He's done this without engaging with Stellantis to agree an affordable repayment plan, and he's now said the outstanding balance has been reduced to £1,623.08 – while I don't doubt this is the case, I haven't seen anything from Stellantis that confirms this amount.

I've also noted that, despite advising Stellantis of what he would pay them, and when by, Mr M hasn't kept to his own repayment plans.

Mr M advised Stellantis in December 2024 that he was having serious health issues, and this had resulted in him having difficulties in maintaining repayments. He was also not going to be in a position where he would be able to pay the £7,550 final payment, which fell due on 5 March 2026.

The Financial Conduct Authority sets out that, when a financial business is dealing with situations such as this, they *“must treat customers approaching arrears or in default with*

forbearance and due consideration.” While this means they should, for example, consider allowing the customer to pay the final payment over a reasonable period of time, they should also consider if doing so would put the customer in financial harm.

While Mr M has said that Stellantis should carry out a documented affordability assessment, he also said they should put in place a 12-month repayment plan based on the verified disposable income. However, these two things are at odds, as an affordability assessment may not show that repaying the outstanding balance was affordable over a 12-month period – it could show that Mr M could afford to repay this amount over a shorter period, a longer period, or that it would not be affordable for him to repay the amount over any reasonable period.

What has happened is that Mr M has advised Stellantis what he is willing to pay, and when by, and has consistently failed to maintain these payments. Instead, he’s paid lump sums to reduce the outstanding balance and then moved the date by when the remaining amount would be paid, for example he agreed to clear the full outstanding balance by 17 April 2026, failed to do so, and has now said this will be done by 30 May 2026.

When considering the FCA’s requirements, I’m satisfied that Stellantis have dealt with Mr M with forbearance and due consideration – they have allowed him to keep the car, despite the agreement being terminated, and are allowing him to make a series of ‘random’ lump sum payments to reduce the outstanding balance. I think this is reasonable in the circumstances.

While this doesn’t mean that Stellantis could’ve done better, and they themselves have acknowledged this, as I’ve said above I’m looking at this matter in the round, and taking into consideration everything that’s happened to date. In doing so, I haven’t seen anything that shows me that Stellantis’s actions have specifically exacerbated Mr M’s medical conditions.

As such, I won’t be asking them to compensate Mr M for what’s happened. I also say this because Stellantis have already given Mr M more than the 12-months he’s asked for to repay the outstanding balance, and they’ve continued to allow him to keep and use the car. Given the circumstances, I’m satisfied that Stellantis acted reasonably by defaulting and terminating the agreement, and they would’ve been within their right to repossess the car, even though doing so would’ve left Mr M in a position where he was without transportation.

So, when taking everything into consideration, I’m not upholding Mr M’s complaint, and I won’t be asking Stellantis to do anything more. I would, however, expect them to allow Mr M until 30 May 2026 to repay the outstanding balance – the latest date he’s said he intends to do this by. And, if he fails to repay the outstanding balance by this date, then I would expect Stellantis to advise Mr M what further actions they intend to take.

My final decision

For the reasons explained, I don’t uphold Mr M’s complaint about Stellantis Financial Services UK Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 20 May 2026.

Andrew Burford
Ombudsman