

## The complaint

Mr A complains about the quality of a vehicle that was supplied through a hire purchase agreement with Stellantis Financial Services UK Limited (SFS).

## What happened

In January 2022, Mr A acquired a vehicle through a hire purchase agreement with SFS. The cash price was £31,766. Mr A made an advanced payment of £3,765.45 which appears to be through a part exchanged vehicle that had some existing finance on it. So, the total amount financed on the hire purchase agreement was £28,000.55 payable over 48 months.

The vehicle was recorded as used on the agreement, as it was registered in October 2021 and had 10 miles recorded.

Mr A said that within five months of supply the vehicle developed a fault with the seat belt pretensioners and airbags. Mr A said the fault occurred seven times over the following year and on each occasion, he brought it to the dealership for repairs. He said that in October 2023 the dealership kept the vehicle for seven weeks for repairs.

Mr A complained to SFS in October 2023 however as Mr A didn't receive a response to his complaint, he brought it to our service for investigation.

Mr A says the vehicle's showing multiple faults with the airbag, seatbelt pretensioners, ABS brakes, traction control, parking brake and hill start control.

Mr A says the situation has caused him and his wife considerable inconvenience and stress as it impacts their ability to get to work. Mr A doesn't want any further repairs and would like to return the vehicle, have the finance agreement cancelled and to be refunded his repayments from when the fault occurred.

In an email dated March 2024, Mr A confirmed that he'd not had to pay for any repairs, the mileage was 46,000 and he was in possession of the vehicle and continued using it to get to work.

In February 2024 SFS issued their final response to Mr A's complaint which they didn't uphold. In it, SFS said they were made aware of the issues in October 2023, which they considered meant Mr A would have to prove the vehicle was faulty as it was reported more than six months from supply. They also advised they'd been notified by the dealership that the vehicle was repaired and returned to Mr A in November 2023 and that he was kept mobile throughout the duration. So, SFS didn't uphold the complaint.

Having considered all the information on file, one of our investigators recommended that Mr A's complaint should not be upheld. The investigator concluded that a lack of evidence of the faults and the mileage accrued, suggested any issues were potential wear and tear.

Mr A didn't accept the investigator's assessment and responded to say that the issues were reported within six months, and he had already provided evidence of them. However, as the

investigator's view remained unchanged. Mr A asked that his complaint be referred to an ombudsman for a final decision.

Mr A has since advised that the vehicle has developed a further fault with brakes and has provided an independent inspection report which was carried out in June 2024.

Within its conclusions, the report advised the issue with the park brake was new, and the previous repairs carried out were successful. It also gave the opinion that the issue with the park brake was not linked to the previous repairs. The report advised it didn't think the supplier should be responsible for the repairs to the brakes given the time elapsed since supply.

### **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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr A complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr A's complaint about SFS. SFS is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a vehicle, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Although it was recorded as used, I think it's fair to say the vehicle was effectively acquired new, particularly as it was four months old and had travelled 10 miles at the point of supply. And with a cash price more than £30,000, I think it's fair to say that a reasonable person would expect the level of quality to be higher than a second hand, more road-worn vehicle, and that it could be used – free from defects – for a considerable period of time.

From the information provided I'm satisfied there is a fault with the vehicle. Mr A provided an independent inspection report which was completed in June 2024. The report advised:

*"Currently, the Park Brake has suffered a failure and while this represents a new problem, immediate repair is again required"*

The report also concluded that although there had been ongoing issues with the airbag system, the repairs had been successful. It also advised the current issue is not linked to the previous repairs. It said it didn't think the supplier would be responsible for the brake issue.

Having considered the vehicle has a fault, I've considered whether it was of satisfactory quality when it was supplied to Mr A.

### *Satisfactory quality*

The independent inspection report confirmed that the fault with the brake was a new issue that wasn't connected with any previous repairs. The issues Mr A raised with SFS were in relation to the seat belt pretensioners and airbags. So, I'm satisfied that the brake issue wouldn't have been present at the point of supply and would be something Mr A may decide to raise with SFS separately if he believes there to be an inherent issue with it.

The inspection report also commented on the seat belt pretensioners and airbags issue which it advised:

*"There is no doubt that the vehicle's had ongoing reliability issues with the airbag system"*

SFS provided an invoice from the dealership which confirmed a fault test was carried out and possible airbag deactivation switch line. The invoice doesn't confirm any specific issue or repair carried out. However, the dealership did confirm to SFS in an email that Mr A was kept mobile whilst they had the vehicle and that it was returned to him in November 2023. So alongside the comments from the independent inspection report I'm satisfied that any issues with the vehicle was successfully repaired.

I acknowledge Mr A says the vehicle was brought into the dealership for repairs on around eight occasions, however although I don't doubt what Mr A has said, I don't have any evidence of this, I also don't have any evidence that the vehicle experienced any failed repairs.

Under the CRA SFS has the right to repair the vehicle, and in this instance, from the evidence provide it's reasonable to conclude that the repairs were successful. I've seen no evidence that Mr A requested a rejection within the first 30 days or that any repairs carried out had failed.

From the independent inspection report it appears the only issue with the vehicle is a brake fault which the inspection report has confirmed was not linked with any previous repairs.

As I've concluded that the vehicle was of satisfactory quality when it was supplied to Mr A. I don't require SFS to take any action in relation to this complaint.

### **My final decision**

Having thought about everything above along with what is fair and reasonable in the circumstances I don't uphold Mr A's complaint about Stellantis Financial Services UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 August 2024.

Benjamin John  
**Ombudsman**