

The complaint

Mrs B complains about how Santander Consumer (UK) Plc ("Santander") has treated her in respect of a conditional sale agreement she took out with it for the acquisition of a caravan.

What happened

In July 2017 Mrs B entered into a conditional sale agreement ("agreement") with Santander for the acquisition of a used caravan.

The cash price of the caravan was £17,000.

Under the terms of the agreement, everything else being equal, Mrs B agreed to make an advance payment of £1,700 (to the caravan park) followed by 78 monthly payments (to Santander) of £277.78 - making a total sum repayable of £23,366.84 at an APR of 11.9%. Mrs B also had the right to end the agreement at any time by handing the caravan (back) to Santander and paying Santander half of the total amount payable under the agreement of £11,683.42 ($\frac{£23,366.84}{2}$).

In August 2018 Mrs B enquired about voluntarily terminating her agreement with Santander but decided not to.

Mrs B made all payments required of her under the agreement between August 2017 and February 2019 – 19 payments of £277.78 or £5,277.82. This brought her agreement debt (inclusive of all interest) down to £16,389.02 ($£23,366.84 - £1,700.00 - £5,277.82$).

In March 2019 Mrs B contacted Santander to confirm that she had vacated the caravan and had handed the keys to it to the caravan park.

In April 2019 Santander credited Mrs B's account with £8,737.50, this being the proceeds it received following the sale of the caravan back to the caravan park. This brought her agreement debt (inclusive of all interest) down to £7,651.52 ($£16,389.02 - £8,737.50$).

In May 2019 Santander credited Mrs B's account with £2,945.92. This brought her agreement debt (inclusive of all interest) down to £4,705.60 ($£7,651.52 - £2,945.92$).

After May 2019 Santander, and then a third party, acting on Santander's behalf, wrote to Mrs B seeking recovery of the sum of £4,705.60.

In July 2019 Mrs B complained to Santander to say that she felt it hadn't treated her fairly after she took the decision to vacate the caravan and return the keys to the caravan park, particularly given the reason why she did so was because she was in financial difficulties. And to resolve her complaint she was looking for the balance of £4,705.60 to be written off.

Later the same month Santander issued Mrs B with a final response letter ("FRL"). Under cover of this FRL Santander said it was satisfied that it had done nothing wrong and that it wasn't prepared to write off the £4,705.60. However, it said it was prepared to agree an affordable repayment arrangement going forward.

In September 2019, and unhappy with Santander's FRL, Mrs B referred her complaint to our service for investigation.

Mrs B's complaint was considered by one of our investigators who came to the view that Santander had done nothing wrong.

Mrs B didn't agree with the investigator's view, so the complaint has been passed to me for review and 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.

Having done so I can confirm that I've come to the same outcome as the investigator and for the same reasons. There is also very little I can usefully add to what has already been said.

I'm satisfied that following Mrs B's decision to vacate the caravan and to hand the keys to it to the caravan park, Santander acted fairly (and to Mrs B's financial advantage) by treating the agreement as being voluntary terminated rather the caravan being voluntary surrendered. Had Santander treated the caravan as being voluntary surrendered, the only other alternative available, Mrs B would have been left with a liability in excess of the £4,705.60 currently being sought from her.

The sum calculated by Santander as being outstanding and due (of £4,705.60) has been calculated correctly. This has been calculated as follows:

• Total repayable under the agreement (inclusive of interest)	£23,366.84
• 50% of the above sum	£11,683.42
• Deposit paid	£1,700.00
• Payments made (19 x £277.78)	£5,277.82
	(£6,977.82)
• Total repayable	£4,705.60

I appreciate the financial difficulties Mrs B says she is in, but Santander is under no obligation to write off the sum of £4,705.60 because of these difficulties.

Instead, what Santander is obliged to do (under its regulatory obligations), is to exercise forbearance and due consideration. And given that Santander has said that it's prepared to agree to an affordable repayment arrangement with Mrs B going forward I'm satisfied that Santander has done what I would expect it to, and what the regulator requires it to do.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 February 2022.

Peter Cook
Ombudsman