

The complaint

Mr S complains that Santander Consumer (UK) plc, trading as Santander Consumer Finance, has terminated the conditional sale agreement under which a car had been supplied to him.

What happened

A used car was supplied to Mr S under a conditional sale agreement with Santander Consumer Finance that he signed in May 2019. He didn't make all of the payments that were due under the agreement and Santander Consumer Finance deferred some of those payments but Mr S continued to have issues with his payments. Various options were discussed and Mr S then asked to voluntarily terminate the agreement in May 2021. Santander Consumer Finance accepted the voluntary termination so it ended the agreement and instructed a third party to collect the car. Mr S then said that he wanted to cancel the voluntary termination but he was told that it couldn't be cancelled.

He complained to Santander Consumer Finance later that month but it said that when a customer requests to proceed with a voluntary termination, the process can't be reversed. It also said that there was still a liability to pay of £6,682.72 and that it had tried on multiple occasions to get in contact with Mr S to discuss the reschedule option but there had been broken promises. The car was then collected in July 2021. Mr S wasn't satisfied with its response so complained to this service.

Our investigator set out the reasons that he didn't consider that Mr S's complaint should be upheld but Mr S then said that he was affected by the government imposed restrictions in response to the pandemic and they were part of the reason that he wasn't able to keep up with his monthly payments. Our investigator reconsidered Mr S's complaint but didn't recommend that it should be upheld. He said that Mr S's financial difficulties had been continuing since his missed payment in January 2020 and that Santander had acted correctly in actioning the voluntary termination and not returning the car after Mr S had asked for the voluntary termination to be unwound.

Mr S has asked for his complaint to be considered by an ombudsman. He says that if his complaint isn't upheld he'll be taking this further, including going to court if necessary.

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 agree with the outcome recommended by our investigator for these reasons:

- it's clear from Santander Consumer Finance's account notes that Mr S's account was in arrears in January 2020 and he was sent a default notice at the end of that month – the account notes show that Mr S said that he was using his overdraft and was also behind on other bills;

- Mr S didn't make the monthly payment that was due by direct debit in March 2020 but, after he was contacted by Santander Consumer Finance about the missed payment, he made a card payment to it – that was before the government imposed any restrictions in response to the pandemic;
- Santander Consumer Finance agreed a three month payment deferral with Mr S in May 2020 and he then didn't make a payment to it until November 2020 – there were frequent discussions between October 2020 and May 2021 about Mr S's options under the agreement and the final response letter from Santander Consumer Finance sets out a timeline of what happened during that period;
- Mr S then told Santander Consumer Finance in May 2021 that he wanted it to collect the car as he'd lost his job and wasn't able to make any further payments – he was advised of the process for voluntarily terminating the agreement, including his liability of £6,682.72 and the collection fee, and he sent it an e-mail which said: *"I would like to terminate the contract immediately on aggravated termination asap"*;
- Santander Consumer Finance then sent a notice of voluntary termination to Mr S four days later which said: *"You have recently requested to Voluntarily Terminate your agreement with us. I can confirm that your instructions have been carried out and your agreement with us is now terminated"*;
- Santander Consumer Finance instructed a third party to collect the car from Mr S but, after it had tried to do so, Mr S contacted Santander Consumer Finance and said that he wanted to cancel the voluntary termination;
- he was told that his agreement had already been ended and the car was collected in July 2021;
- I consider that Santander Consumer Finance had responded to Mr S's financial difficulties positively and sympathetically – as it was required to do – and I consider that those financial difficulties began before the government imposed restrictions in response to the pandemic;
- after those restrictions began, it agreed a payment deferral with Mr S in accordance with the guidance that had been issued - Mr S then didn't make a payment to it until November 2020 and there were regular and detailed discussions between it and Mr S about his options under the agreement;
- Mr S then asked to voluntarily terminate the agreement and I consider that Santander Consumer Finance acted correctly in accepting that request and ending his agreement – so by the time that Mr S asked to cancel his request, the agreement had been ended and couldn't be reinstated;
- I'm not persuaded that there's enough evidence to show that Santander Consumer Finance has acted incorrectly in these circumstances, the car can't now be returned to Mr S and I'm not persuaded that Santander Consumer Finance should be required to reinstate the agreement; and
- I sympathise with Mr S for the financial difficulties that he's experienced and the issues that they've caused him but I find that it wouldn't be fair or reasonable in these circumstances for me to require Santander Consumer Finance to reduce or waive the amount that he owes to it, to pay him any compensation or to take any other action in response to his complaint.

I suggest that Mr S contacts Santander Consumer Finance to try to agree an affordable repayment arrangement for the amount that he owes to it. If he doesn't do so I consider it to be likely that it will take further action to recover that amount from him, to the extent that it's

legally entitled to do so. It's required to continue to respond to any financial difficulties that he's experiencing positively and sympathetically.

My final decision

My decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 July 2022.

Jarrold Hastings
Ombudsman