

The complaint

Mr P complains that a conditional sale agreement with Santander Consumer (UK) Plc was not signed by him and did not reflect the terms he agreed with the selling car dealer.

What happened

The matters that form this complaint involve the actions of three businesses. The dealership that sold the car to Mr P, the broker that arranged the finance, and Santander itself as the finance provider. This decision is only dealing with the actions of Santander. To reach a decision on this complaint, I need to make some assumptions about what *might* have happened. But, to be clear, any findings I make in relations to the actions of the other businesses have not been tested with those parties, so cannot reasonably be considered as proof of any wrongdoing on their parts.

Mr P was supplied with a used car in July 2021 financed through a conditional sale agreement with Santander. The terms of that agreement are the subject of this complaint so will be discussed in far greater detail later on. But, in brief, Mr P says he signed an agreement on 30 July 2021 that would require him to make 31 monthly repayments of £142.68 followed by a final repayment of £5,516.02.

Santander says the agreement it holds was signed by Mr P on 29 October 2021, although it was first set up on its system on 31 July. That agreement required Mr P to make 31 monthly repayments of £103.49 followed by a final repayment of £6,847.22. Mr P appears to have been making the repayments required under this agreement from December 2021 until his car was stolen in March 2024 and the agreement was settled.

Mr P complained to Santander that the settlement figure was higher than he was expecting under the agreement he said he signed. He later said that the agreement Santander held had not been signed by him, and appeared to be fraudulent. Santander thought that the matters Mr P had raised needed to be dealt with by the selling dealership. It didn't think it had done anything wrong. But as a gesture of goodwill it paid Mr P £200. Unhappy with that response Mr P brought his complaint to us.

Mr P's complaint has been assessed by one of our investigators. They thought that Mr P had made the repayments required under the later agreement, and those were in line with what he agreed to at the time the car was supplied to him. So the investigator didn't think there was any evidence that Santander had done something wrong. They didn't think the complaint should be upheld.

Mr P didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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 deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr P and by Santander. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

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

The allegations that Mr P has made – that the agreement was fraudulently signed by the selling car dealership – are very serious. But as I will go on to explain I don't think those allegations reflect on the conduct of Santander, or have caused Mr P to lose out in terms of the repayments he has needed to make on his agreement with Santander.

I can understand why Mr P has concluded that the agreement Santander holds might not have been signed by him. Although I have no training whatsoever in handwriting analysis there do appear to be some differences in the signatures on the agreement provided to us by Mr P, and that held by Santander. And the timing of the signature on the later agreement appears to be somewhat strange.

Mr P took delivery of the car in early August 2021. Before that he had signed a conditional sale agreement that showed monthly repayments of £142.68. But Mr P tells us that when he first visited the dealership his intended monthly budget was around £100. So I think it likely that, after signing the first agreement, Mr P might have decided the repayments were unaffordable.

Santander says that the second agreement was initially set up on the day after the initial agreement. The second agreement showed monthly repayments much closer to Mr P's intended budget. But it doesn't seem that Mr P signed that agreement before he took delivery of the car – that seems to have been a relatively important oversight by the selling dealer.

Mr P didn't start making any repayments on his agreement in the following months. His first repayment wasn't until almost four months later, in December 2021. I don't know why Mr P didn't query the fact his repayments hadn't started. But I do think it might have put him on notice that all was not as it should be with his agreement.

Santander received a signed copy of the second agreement that was dated 29 October. It is that agreement that Mr P says was fraudulently completed and does not bear his actual signature. And he has provided us with an email he received out of the blue from the selling dealer just a couple of days before the agreement was signed, asking him for another copy of his driving licence.

So it seems to me that the administrative aspects of registering the agreement with Santander didn't take place until around three months after it should have done. But I don't

think whether that was because the dealer failed to register an agreement that Mr P had signed, or whether it was because that agreement needed to be recreated, has a material impact on this complaint (although it would obviously be of great concern to Mr P in the latter case).

The agreement that Santander registered in October 2021 would have appeared entirely proper when it was received. It came from a known car dealership and bore a signature, at the very least, similar to that which would have appeared on Mr P's driving licence. So I don't think Santander had any reason to suspect that either the agreement hadn't been genuinely signed by Mr P, or that it related to a car that hadn't recently been supplied to him. And those conclusions would have been reinforced by the receipt of repayments from Mr P without any query as to their amount, or why they had only started some four months after the car had been supplied.

The agreement on which Mr P's repayments have been made appears to be in line with his stated affordability when the car was supplied. But making lower repayments over the main lifetime of the agreement means that the final repayment will naturally be higher. The amount Mr P borrowed, and the deposit he paid, were unchanged across the two agreements. And he needed to repay that borrowing through a combination of the monthly repayments and the final repayment.

On balance I think it likely that Mr P would have been told of the higher final repayment when he discussed a new agreement with the car dealership to reduce his monthly repayment shortly before the car was supplied to him. And whilst that higher repayment doesn't appear on the signed agreement that Mr P says he completed, nor does the lower monthly repayment that he has happily paid for two and a half years.

So, whilst I appreciate this decision will be disappointing for Mr P, I think the repayments he has made, and the final settlement figure he was charged, are consistent with each other. The repayments appear to have fit the affordability Mr P says he had at the time, and so the higher final repayment is a natural consequence of those lower repayments. And I haven't seen anything to make me think that Santander should have had any concerns over the validity of the signed agreement it was sent by the selling dealership. So I don't think Santander has done anything wrong.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Santander Consumer (UK) Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 December 2024.

Paul Reilly
Ombudsman