DRN-5492479

The complaint

Mr L is unhappy that a car supplied to him under a conditional sale agreement with Santander Consumer (UK) Plc (Santander) was of an unsatisfactory quality.

What happened

In November 2022 Mr L was supplied with a new car through a conditional sale agreement with Santander. He paid an advance payment of £407 and the agreement was for £32,678 over 49 months; with 48 monthly payments of £407.85 and a final payment of £12,694.

Mr L said that he had repeated faults and warning lights displaying on the car. His complaint arises from a breakdown in May 2024 when a number of warning lights came on, the car lost power, and went into limp mode.

The car was taken to the supplying dealer and, about a week later Mr L was told it had been fixed. He says that he only managed to drive four miles when the same warning lights came on, and the car again went into limp mode. The car was recovered back to the supplying dealer. Another repair was done and the car returned to Mr L a week later.

He said the same issues happened less than two weeks later. The car was taken to the supplying dealer. On this occasion it told Mr L it had replaced a cable. Around three weeks later, on 11 July 2024, the car was returned to Mr L. On 24 July 2024 the warning lights came on again, and the car went into limp mode.

The car was taken to the supplying dealer on 29 July 2024. Mr L was told the car showed a number of error faults, and the data had been extracted and sent to the manufacturer for advice.

On 23 August 2024 he was told the car needed a new control module and this had been ordered. On 9 January 2025 he was told the part had been fitted and the issue appeared to have been resolved. On 27 January 2025 the supplying dealer then told Mr L that it had noticed another warning light had appeared. It said a coolant pipe had split and the replacement part for this had been ordered.

Mr L said that he wanted to reject the car.

Santander didn’t uphold Mr L’s complaint. They said the issues with the car had happened after he’d had the car for six months. They said that they needed him to supply evidence that the car was not of satisfactory quality at the time of sale.

Mr L was unhappy with this response, so he referred his complaint to the Financial Ombudsman Service for investigation.

Our investigator said she was satisfied the car wasn’t of satisfactory quality, in particular she said it wasn’t durable. She said Mr L should be allowed to reject the car.

Around that time the car was repaired and returned to Mr L. Santander said that rejection of the car was unfair if the repair had now fixed the issues. They said they would consider rejection if these repairs failed. Our investigator replied stating that the supplying dealer already had a chance at repair, and these had taken a long time, so rejection was the fair outcome.

Santander replied stating it would not accept rejection as the car had now been repaired and was not showing any signs that the repair had failed. They said they would consider offering compensation for the time Mr L was without the car.

In June 2025 Mr L informed us that the car had failed again. He took it back to the supplying dealer. It identified a "*bad earth present*" and said this was bringing on the battery warning messages. Mr L told our investigator that the car was returned to him, but the warning message appeared again at the end of June 2025.

Our investigator raised this with Santander and asked them if they were now prepared to accept rejection as they had previously suggested. They didn't respond.

Because Santander didn't agree, this matter was passed to me to make a final 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'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.

In considering this complaint 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. Mr L was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr L entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

The CRA says the quality of the goods includes their general state and condition, as well as other things like freedom from minor defects, safety, and durability.

Here, I'll consider that the car was new. So, I think a reasonable person would expect trouble free motoring for some time.

So, if I thought the car was faulty when Mr L took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Santander to put this right.

I'm satisfied the car is faulty. Mr L has told us that the warning lights come on, and the car goes into limp mode. This prevents the car from driving, and needs to be taken to a garage for repair. The supplying dealer confirmed there was a fault. It said the battery electric distribution module had failed.

This fault first arose when the car was just 18 months old, and had travelled just 21,000 miles. I don't think it's reasonable to expect a new car to have such a significant fault in that relatively short time. It seems more likely than not that the faulty part has failed prematurely. So I'm satisfied the car wasn't of satisfactory quality as it wasn't sufficiently durable, and it's reasonable to assume the fault was present when the car was supplied.

Single Chance at Repair

Section 24(5) of the CRA says:

> "*a consumer who has … the right to reject may only exercise [this] and may only do so in one of these situations –*
> > *(a) after one repair or replacement, the goods do not confirm to contract.*"

This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

There have been several attempts to repair the car supplied to Mr L. This is clear from Mr L's testimony, and the job sheets supplied by the dealer. It appears there were two attempted repairs in May 2024 and one in July 2024. The car broke down again in late July 2024.

The dealer said the car was repaired in January 2025, but a further fault was found, this time with the coolant pipe. It was returned to Mr L in March 2025, but broke down again in June 2025, with what appeared to be the same warning lights illuminated.

The CRA is clear that, if the single chance at repair fails, as was the case here, then the customer has the right of rejection.

It appears that there have been around six attempted repairs. So I think it's reasonable that Mr L be able to reject the car. Santander say that's unfair. I disagree. They said that before the last attempted repair failed. Ample opportunity has been given to repair this car, and I'm satisfied the case for rejection under section 24(5) has been made.

Delay in Repair

I've also considered the length of time Mr L's car has been with the supplying dealer for repair.

Section 23 of the CRA states*:*

> *If the consumer requires the trader to repair or replace the goods, the trader must –*
> > *(a) do so within a reasonable time and without significant inconvenience to the consumer*

In this case the car first broke down in May 2024. After three failed repairs, the dealer said it ordered parts and these arrived in December 2024, but would not code to the car. It said it ordered new parts, and these fixed the fault. But another fault was found in January 2025 (the internal coolant hose) and the car wasn't returned to Mr L until March 2025.

So it’s arguable that Santander failed to comply with Section 23(2)(a) of the CRA. I don’t consider the time taken here (May 2024 to March 2025) to be reasonable. And there was arguably significant inconvenience to Mr L. I know that he was provided with courtesy cars, but this wasn’t straightforward and itself was inconvenient: as the cars were frequently changed by the dealer, with no knowledge if or when he would get another, and the different models and specifications provided. So in these circumstances, Mr L should be able to reject the car.

Putting things right

Mr L was provided with a courtesy car to keep him mobile from May 2024 whilst the car was in the garage for repair. I’d normally say that because of this, it’d be fair that he pay for this usage. But I’ve described above the difficulties he had with the provision of courtesy cars, including being supplied on some occasions with a petrol driven car.

Because of this impaired usage, I think it’s fair that Santander refund some of the payments Mr L made. And I think 10% of the payments made for the periods when he had a courtesy car from May 2024 to March 2025, and from June 2025, fairly reflects the impaired use caused by the car not being of a satisfactory quality.

It’s clear that Mr L has been inconvenienced by having to arrange for the car to be repaired, and by these repairs being unsuccessful. The frequency of the breakdowns made him feel nervous about driving the car, losing faith in it, and not willing to drive his family in it. And he was further inconvenienced by being provided with a courtesy car that wasn’t suited to his needs. I think, Mr L would not have to do some of these, had Santander supplied him with a car that was of a satisfactory quality. So, I think Santander should pay him £300 in compensation to reflect the distress and inconvenience caused.

Therefore, Santander should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr L (if this has not already been done);
- remove any adverse entries relating to this agreement from Mr L’s credit file;
- refund the £407 deposit Mr L paid (if any part of this deposit is made up of funds paid through a dealer contribution, Santander is entitled to retain that proportion of the deposit);
- refund an amount equal to 10% of the monthly payments for the period May 2024 to March 2025, and from June 2025 to when the agreement is ended, to reflect the impaired usage;
- apply 8% simple yearly interest on the refunds set out above, calculated from the date Mr L made the payment to the date of the refund†; and
- pay Mr L an additional £300 to compensate him for the distress and inconvenience caused by being supplied with a car that wasn’t of a satisfactory quality.

†If Santander considers that tax should be deducted from the interest element of my award, they should provide Mr L with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

My final decision

For the reasons explained, I uphold Mr L's complaint about Santander Consumer (UK) Plc and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 August 2025.

Gordon Ramsay
Ombudsman