

The complaint

Miss B complains about a car supplied to her using a conditional sale agreement taken out with Santander Consumer (UK) Plc ("Santander").

What happened

Miss B referred a complaint to us along with her representative. As the complainant is Miss B, for ease, I have addressed my decision to her only throughout, when referring to what she and her representative have told us.

In October 2022, Miss B acquired a used car using a conditional sale agreement with Santander. The car was around two and a half years old, the cash price of the car recorded on the agreement was £17,500, the agreement was for 49 months, made up of 48 regular, monthly repayments of £220.99, followed by a final payment of £8,014.50. The advance payment recorded on the agreement was £3,248.87. The mileage recorded on the sales invoice for the car was 29,480 miles.

Miss B said the car's advert which was posted on a third-party seller's website, advertised the car with a full-service history. Miss B also said this was confirmed with the supplying dealership at the point of sale and she said she was told a service would be completed before the car was collected.

In February 2024, the car broke down and had to be recovered to an authorised manufacturer dealership. It later transpired that the engine overheated as there was a failure to the water outlet which caused a loss of coolant. It was advised that the engine and turbo needed to be replaced.

Miss B was quoted over £10,000 for the replacement of the engine and turbo. Miss B complained to Santander as she didn't think they were doing enough to support her.

Miss B later got the car repaired and was informed that the car hadn't been serviced in 2021 and the service she thought the car had a couple of months before it was acquired, was only an oil and filter change.

Santander issued their final response to Miss B in May 2024. Among other things, they said the dealership told them that the missing service history hadn't been raised with them previously, but that they had completed a full service before the car was acquired by Miss B. A copy of the service invoice was also sent to Miss B by Santander. Santander also compensated Miss B £25 for any distress and inconvenience in relation to a separate issue about the taxing of the car.

Unhappy with Santander's response, Miss B referred her complaint to our service.

Our investigator initially didn't uphold Miss B's complaint. In summary, the investigator thought there was a fault with the car but couldn't conclude from what was supplied that the fault was present or developing at the point of supply. The investigator also obtained a copy

of the text for the car's advert and couldn't see that it was advertised with a full-service history.

Miss B disagreed with the investigator's findings. Miss B provided further details regarding the investigation that was carried out in February 2024 to diagnose the fault with the car, including a video from the mechanic that inspected the car. Miss B also supplied comments made by a third-party garage who, in summary, believed a proper investigation wasn't undertaken and that a head gasket leak test should have been carried out to make sure the fault wasn't just a new head gasket replacement, rather than an engine fault itself. The comments also explained that the thermostat housing should not have failed given the age of the car.

After reviewing the further information supplied, our investigator upheld Miss B's complaint. In summary, the investigator didn't think the car was durable, given the fault with the car, its age and the miles it had been driven. The investigator went on to explain what they thought Santander needed to do to put things right as they thought the car had been adequately maintained.

Santander disagreed with the investigator's findings. Among other things, they believed there wasn't evidence to show that the fault was present or developing at the point of supply.

As Santander disagreed, the complaint was passed to me to decide.

I issued a provisional decision on 24 April 2025 where I explained why I didn't intend to uphold Miss B's complaint. In that decision I said:

"I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Miss B complains about a car supplied to her under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Miss B's complaint about Santander.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Santander here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Miss B acquired was used, around two and a half years old, had been driven around 30,000 miles and cost £17,500. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

Miss B has mentioned that there were several issues with the car when it was supplied to her, such as the car's key fob not working and with the car's lights, to name a few. From my understanding, all these issues have been resolved, so I have focussed my findings on the issues which haven't been resolved.

Miss B's car broke down in February 2024. The car was recovered and sent to a manufacturer dealership to be diagnosed. The car's mileage at the time was 54,208. Among other things, the job sheet for the works carried out said:

"INVESTIGATED CAR CUTTING OUT. FOUND VEHICLE TO BE COMPLETELY OVERHEATED DUE TO FAILURE OF WATEROUTLET, MEANING LOSS OF COOLANT AND ENGINE OVERHEATING. REQUIRES COMPLETE ENGINE AND TURBO ASSEMBLY TO BE REPLACED TO RECTIFY.

...

ON REMOVAL OF THE ENGINE, FOUND CLUTCH AND FLYWHEEL TO BE WORN. REPLACED CLUTCH AND FLYWHEEL."

Miss B also supplied a video taken by the mechanic who inspected the car at the time, alongside detailed handwritten notes of the checks completed to determine the fault with the car.

On the other hand, Miss B has also supplied further comments made by a local third-party garage, several months after the car was repaired. In summary, the third-party believed a proper investigation wasn't undertaken and that a head gasket leak test should have been carried out to make sure the loss of compression that was identified wasn't just a new head gasket replacement, rather than an engine fault itself. The comments also explained that the thermostat housing should not have failed given the age of the car.

While I have considered the comments made here by the local third-party garage, I haven't placed much weight on them. I say this because the third-party garage hadn't inspected the car whilst it had broken down, but rather had made his findings, "...After discuss[ing] the vehicles issues with [Mrs B]...".

I'm more persuaded by comments made by the mechanic who inspected the car as I have had sight of the detailed checks carried out by the mechanic. It contrasts with the brief comments made by the local third-party garage. I'm also mindful that the mechanic who diagnosed the car when it broke down is familiar with the make and model of car, given the checks were carried out by an authorised manufacturer dealership.

Given the above, and that the car has now been repaired, and from my understanding, it has resolved the issue, I'm satisfied there was a fault with the car, and specifically that the engine overheated as there was a failure to the water outlet which caused a loss of coolant.

Was the car of satisfactory quality at the point of supply?

The crux of the issue here is whether the fault with the car was present or developing at the point of supply, which meant it wasn't of satisfactory quality.

Like any component in a car, it is subject to wear and tear damage. While it is intended that no part should fail, they can. A manufacturer cannot be expected to provide an indefinite guarantee against a component part failure.

Miss B has explained the car was serviced in April 2023 at 36,448 miles. Having seen a copy of the invoice, it says a “small service” was completed. About nine to ten months later, the car had been driven around 17,760 miles, before it broke down and was diagnosed.

I searched for a copy of the owner’s manual for this particular car in order to review its maintenance plan and the required maintenance intervals. But I was unable to find one specific to this car’s engine and also one applicable to UK registered cars. However, from a general search online, it says this particular make and model of car, with it being a petrol variant, should be serviced every 12 months or every 12,500 miles (whichever comes sooner).

In addition, on the copy of the service booklet that Miss B has supplied, it explains that the next scheduled service, which would have been a “full service” should have occurred at 48,448 miles (12,000 miles after the service in April 2023). So, I think it is fair to say that a service should have taken place at around 12,000-13,000 miles, to ensure the car was maintained in line with the manufacturer’s recommendations. However, in this instance, around 5,000 more miles had been driven in the car.

I’ve thought carefully about the impact of not servicing the car in line with the manufacturer’s recommendations – and what that could do to an engine and turbocharger. While I’m not a mechanic, my understanding is during a service, coolant levels would normally be checked. And had that had occurred, it may have been apparent of an issue with the car, which could have been rectified before the engine needed to be replaced.

Thinking about everything here, I haven’t seen enough, on balance, to persuade me it’s most likely the water outlet failed due to a fault present or developing at the point of supply. Almost 25,000 further miles was driven in the car before the fault presented itself. Had the service had taken place as it should have, then I think it is reasonable to assume it would have picked up an issue with a possible coolant leak, which in turn led to the engine needing to be replaced.

I’ve noted that the investigator for this complaint upheld this complaint as she didn’t think the car was durable. However, I haven’t seen enough to make me think this was most likely the case, given what I’ve noted above about the servicing. It follows that I do think the car was of satisfactory quality at the point of supply and so, I don’t think there is anything Santander needs to do in this instance.

Misrepresentation in relation to the servicing history of the car

Miss B complains, among other things, that she believes the car was advertised with a full-service history and was told a service had taken place prior to the car being acquired. I have carefully considered what Miss B has told our service here, alongside what Santander has said.

When considering what’s fair and reasonable, I take into account relevant law, regulations and guidance. The CRA is relevant here. It explains, in summary, that goods supplied must match the description given.

Section 56 of the Consumer Credit Act 1974 (“S56”) is also relevant to this complaint. S56 explains that, under certain circumstances, a finance provider is liable for what was said by a credit broker or supplier before a credit agreement is entered into. I’m satisfied S56 applies here. So, I can consider what Miss B says she was told about the car and finance by the dealer before she entered into the contract.

What I need to consider here is whether the car didn't meet a description or was misrepresented to Miss B. A misrepresentation would have taken place if Miss B was told a 'false statement of fact' about the car, and this induced her into entering into the contract to acquire it when she otherwise would not have.

I have seen a copy of the text of the advert which was hosted on a third-party seller's website. While various features of the car were mentioned, no specific reference was made in relation to the car's servicing history. So, I'm satisfied a false statement of fact wasn't made. And this same logic can be applied as to why I'm satisfied the car supplied to Miss B was as described."

Responses to the provisional decision

Santander and Miss B didn't respond before the deadline set in my provisional 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.

As both Santander and Miss B didn't respond to my provisional decision before the deadline I set, I see no reason to depart from the provision findings I made.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Santander Consumer (UK) Plc to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 6 June 2025.

Ronesh Amin
Ombudsman