

The complaint

Ms P complains that the car she acquired through Santander Consumer (UK) Plc, trading as Santander Consumer Finance (“Santander”) wasn’t of satisfactory quality. She wants Santander to accept rejection of the car and to have her finance agreement cancelled.

What happened

Ms P entered into a conditional sale agreement in April 2023 for a used car, with a cash price of £12,543. After taking into account the advanced payment of £3,000, the balance was to be paid through the credit agreement which was set up over a 60-month term. The monthly payments were £217.55, which meant the total repayable if the agreement ran to term would be £16,053. The car was six years old at the point of supply and had been driven more than 75,000 miles.

Ms P told us:

- Things started going wrong with the car just a month after acquisition when all the car’s sensors stopped working so the dashboard displayed no details of things like speed and fuel level, and this caused difficulties as she had to get the car home from a camping holiday;
- the supplying dealership reluctantly agreed to fix the sensors under warranty, but additional sensors failed later in the year and the coolant pipe and bottle broke, and these were repaired under warranty;
- at one point the car engine couldn’t be turned off – even with the key removed – so she had to use the services of a third-party roadside recovery firm, who advised that the car required a new battery;
- later still the timing chain failed, and the car was recovered back to the supplying dealership. It told Ms P that this wasn’t covered by her warranty, and that it did not have the tools to undertake the repairs;
- she took the car to another garage which said that the car should not have been sold in this condition and the repairs cost £2,400;
- in November 2024 an internal engine fault was diagnosed, and the engine now requires replacement;
- she’s been unable to use the car to get to work – she’s had to rent a car which cost a lot of money at the same time as continuing with her monthly payments to Santander. And when this proved too expensive, she bought another car;
- the whole situation has been extremely stressful and upsetting, and she wants to reject the car, have the finance cancelled, and get her deposit refunded.

Ms P says the garage she approached to deal with the timing chain concluded that the engine oil was in an exceptionally degraded state, and it had found evidence of previous improper repairs. She told us that it said the car had pre-existing mechanical faults which could have resulted in catastrophic engine failure, and that repairs would have been uneconomical relative to the car’s value at the time of sale.

Santander rejected this complaint. It said an independent inspection had concluded that the fault with the car was not present or developing at the point it had been supplied, and there was simply no evidence that the car was not of satisfactory quality.

Santander told this Service that it didn't doubt that the fault complained of was present but simply said that it had seen no evidence that the issue was present or developing at the point of supply. And, because of this it could not accept her request to reject the car. Santander said that the supplying dealership had confirmed:

- it had undertaken a pre-delivery inspection, MOT and mini service prior to Ms P collecting the car in April 2023;
- it had repaired the sensors and the coolant pipe and bottle under warranty, and at no cost to Ms P. And nearly a year after supply, it had replaced a bonnet switch and solenoid under warranty – again at no cost to Ms P. At this point she'd driven nearly 5,000 miles since acquiring the car;
- Ms P had timing chain work done elsewhere at a garage of her choosing in June 2024, at which point she'd driven around 10,000 miles since it had sold her the car 14 months earlier. There'd also been no previous symptoms relating to the timing chain, so it said the issue could not have been present or developing when the car was supplied in April 2023;
- In November 2024 – 19 months after supply, and after Ms P had driven around 15,000 miles – she'd reported an illuminated engine management light. Subsequent diagnostics determined an internal engine fault and that the engine would need to be replaced.

Our Investigator looked at this complaint and said he didn't think it should be upheld. He explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this case. Our Investigator concluded that although there was a fault with the car, the evidence from both the supplying dealership and the independent engineer was persuasive; the current issues were not considered to be present or developing at the point of supply particularly when taking into account the mileage driven and the length of time since Ms P acquired the car. And he noted that the other things Ms P had reported to the supplying dealership had all been repaired or replaced, at no cost, some time before she brought her complaint to Santander, and some time before the independent inspection took place.

Ms P disagreed, so the complaint comes to me to decide. She says the independent inspection was flawed and is therefore unreliable, Santander ignored key evidence when making its decision on her complaint, and the evidence from her own garage has been disregarded.

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 our investigator – I don't think this complaint should be upheld – and I'll explain why.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Ms P is a regulated consumer credit agreement, this Service is able to consider complaints relating to it. Santander is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 (“CRA”) there is an implied term that when goods are supplied “the quality of the goods is satisfactory”. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Ms P was of satisfactory quality or not.

I don’t think there’s any dispute that Ms P has experienced problems with the car - that has been well evidenced by both her testimony and the documentation she’s sent us. It’s also clear that Santander doesn’t dispute that there’s a problem. Both parties accept that the car engine needs a full replacement. But just because Ms P has had problems with the car, and things have gone wrong, it doesn’t necessary follow that the car *supplied* to Ms P wasn’t of satisfactory quality.

Three entities have provided comments on the car; the supplying dealership; Ms P’s own garage and an independent engineer. I’m going to focus on what the independent expert has said. I don’t mean any disrespect towards either the supplying dealership or the garage that Ms P contacted, but neither of them are independent, nor in a position to give an independent opinion on the existence of the fault relative to the car’s age and the mileage driven.

The third-party instructed to carry out an independent inspection of Ms P’s car is a recognised and appropriately qualified expert in this arena. From reading its report, it’s clear that it was provided with an accurate background that clearly set out the issues. I say this because the report background says, *“Engine is gone. customer stated they’ve various issues with the engine since they got the car and had various repairs”*.

The engineer confirms that the condition reported and complained about: *“An underbody examination with the aid of our trolley jack revealed that there was evidence of oil contamination between the engine and the gearbox potentially from the rear main oil seal...We noted a tapping noise from the top of the engine”*.

The engineer went on to state that:

- *“We can confirm a light tapping noise and there was evidence of oil loss between the engine and gearbox possibly from the rear main oil seal”*.
- *“We can confirm that there was a fault code in relation to an intake camshaft position performance the oil warning light with a message of Engine oil pressure low, stop engine was illuminated on the dashboard whilst the vehicle was idling”*.
- *“...we do not consider these issues were present or in development commensurate at purchase more so when considering the length of time the vehicle has been in use and the mileage covered in that period”*.

The engineer makes no cautionary statements about the conclusions reached, or that a different conclusion may have been reached with additional information.

The report concludes with the following statements:

- *“We have not established any issues that we consider to be present or developing and are not the selling agents responsibility”.*
- *“There is no evidence, to the best of our knowledge, of previous unsuccessful repairs”.*
- *“The issues have developed since purchase”.*
- *“We do not consider the selling agent to hold responsibility for the issues noted”.*
- *“...we do consider in view of the time in ownership and mileage covered that the vehicle has been durable in this period”.*
- *“We would conclude that we have not established any issues we consider to be the selling agents responsibility” ... “We would consider that the responsibility would lay with the hirers”.*

The instruction of an independent inspection is what's required and expected in these circumstances. The engineer concludes that the current fault was not present or developing at the point of supply; it's not the result of failed previous repairs; and the car has been durable in view of the mileage driven by Ms P and the time since she acquired it. So, in the absence of any other persuasive and independent evidence to the contrary, I'm satisfied that Ms P's car was not of unsatisfactory quality when supplied.

I know Ms P will be disappointed by the decision that I've reached. I know she continues to believe that someone bears responsibility for the fact that the car engine needs replacing. But as I've explained, this isn't something for which I can hold Santander responsible. There's simply no evidence of a fault present or developing at the point of supply.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 14 October 2025.

Andrew Macnamara
Ombudsman