

The complaint

Mr M complains that Santander UK plc won't refund to him the money that he paid for a car and reimburse him for other costs that he's claimed.

What happened

Mr M used his Santander credit card to pay a £250 deposit for a used car that he bought in March 2023. The price of the car was £7,445, Mr M part exchanged a car which was given a value of £2,000 and he paid £5,195 by other means. There were issues with the car and Mr M made a claim to Santander under section 75 of the Consumer Credit Act 1974 in November 2024.

It provided a detailed response to the claim in January 2025 and said that it couldn't conclude that a breach of contract had occurred. Mr M appealed that decision but Santander said that it was unable to overturn its original decision to decline his claim. Mr M complained to Santander about its response to his section 75 claim but it said that his claim was declined in January 2025 and was then looked at by another specialist and the decision remained unchanged because it hadn't made a mistake.

Mr M wasn't satisfied with its response so complained to this service and asked to be fully reimbursed for all of his financial losses due to the dealer's failure to provide a functional car. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He said that it wasn't possible to definitively say that there had been a breach of contract in the provision of the car as there was evidence that it was sold in a roadworthy condition by virtue of the MOT test it passed and that the current issues had developed since sale.

Mr M didn't accept the investigator's and asked for his complaint to be escalated to an ombudsman for a decision. He says that he doesn't believe that due and proper consideration has been given to the full circumstances of the case, the investigator's recommendation contains factual inaccuracies, mischaracterisations of his original complaints, places undue reliance on the MOT test at the time of sale, misrepresents the repair history and overlooks the prolonged and often non-existent communication from the dealer.

Mr M has provided a detailed rejection of the investigator's recommendation in which he says that: the car was fundamentally faulty from the outset; the dealer failed to repair the faults in a reasonable time and refused his right to reject the car; the faults arose within six months of purchase so there's a presumption that they were present at the point of sale; he acted reasonably in seeking independent repairs after the dealer proved unwilling and incapable; and Santander mishandled the claim. He also raises points about: the misinterpretation of this services' role and Santander's process; fundamental contradictions and flawed reliance on MOT tests and dismissal of inherent faults and misrepresentation; and the incorrect assessment of fault continuity and responsibility for repairs.

He says that the car wasn't of satisfactory quality, fit for purpose, or as described, constituting a breach of contract, Santander is jointly and severally liable for that breach

under section 75 and Santander's handling of his complaint was flawed, lacked transparency and was based on an insufficient and contradictory assessment. He requests a full refund for the car of £7,445, reimbursement for all consequential losses incurred as a direct result of the breach of contract and Santander's mishandling of his complaint, then totalling £7,699.97, and compensation for the prolonged inconvenience and emotional distress incurred of £350 to £400. He also says that he's submitted a claim to the small claims court as he's worried that the dealer is going into administration and he's provided detailed information that he says that he's recently discovered about the dealer.

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 certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. To be able to uphold Mr M's complaint about Santander, I must be satisfied that there's been a breach of contract or misrepresentation by the dealer and that Santander's response to his claim under section 75 wasn't fair or reasonable (but I'm not determining the outcome of Mr M's claim under section 75 as only a court would be able to do that). The breach of contract about which Mr M is complaining is primarily that the car wasn't of satisfactory quality when it was sold to him.

The dealer was responsible for ensuring that the car was of satisfactory quality when it was sold to Mr M. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr M was first registered in June 2011 so was nearly twelve years old, the dealer's invoice shows that it had been driven for 133,648 miles and the price of the car was £7,445.

There were clearly some issues with the car when it was bought by Mr M and he says that a cracked cylinder head was identified in April 2023. He agreed to have the car repaired and the dealer paid for the repair but he says that he then told the dealer that he wouldn't collect the car and wanted a refund. He says that as assurance that the car was up to standard, the dealer said that he would have an MOT test done on the car but that Mr M would have to pay for some work on the car's brakes which Mr M's wife agreed to and they paid £350 for the brake work.

The car had passed an MOT test in January 2023 with some advisories about its brakes and its mileage was recorded as 133,648 miles. The car then passed an MOT test in June 2023 with no advisories and its mileage was recorded as 134,792. Mr M has raised concerns about the June 2023 MOT test but Santander responded to those concerns in its response to his section 75 claim. Mr M says that an MOT test doesn't show that a car is of satisfactory quality but shows that it's in a roadworthy condition. For a car that was then twelve years old and had been driven for 134,792 miles, I consider it being in a roadworthy condition is good, though not conclusive, evidence that it was of satisfactory quality.

Mr M says that the car then wasn't driven for two weeks and he noticed there was a lot of fluid under the car and he was told that the leak was due to a hose having come loose from a fuel injector as a result of the work to replace the cylinder head and the issue was repaired without charge. He says that the car continued to have fluid leaks and oil was found to be contaminating the coolant reservoir so he asked the dealer for a refund but it didn't respond. He says that the car had an engine warning light in September 2023 and entered limp mode but the dealer said that the original fault had been fully repaired and that the leak wasn't related to the work done.

Mr M says that he took legal advice in September 2023 and was advised to get the car independently inspected and to get it into working order so he took it to a manufacturer's dealer which identified issues with the car and he's provided copies of the job cards that he received. An independent inspection of the car at that time is likely to have provided helpful evidence as to whether or not the car was likely to have been of satisfactory quality when it was sold to Mr M, but an independent inspection didn't take place and Mr M paid £815.40 in November 2023 to the manufacturer's dealer for a pressure sensor repair.

Mr M also paid £218.88 to a manufacturer's dealer in February 2024 for coolant flushing and he paid it £1,509.92 in August 2024 for a diesel particulate filter replacement, a coil spring and an MOT test. The car passed the MOT test in August 2024 with advisories about three tyres and a fog light and its mileage was recorded as 137,413 miles. Mr M says that the car is no longer operational and that the estimated cost to repair a fault with the intercooler will be £1,362. Mr M then made a section 75 claim to Santander in November 2024.

I consider that the replacement of the cracked cylinder head was a fair and reasonable response to the original issues with the car. Mr M had agreed to the repair but, before the car was returned to him, he said that he wanted a refund. I don't consider that Mr M was entitled to a refund at that time. The car then passed an MOT test so I consider that it was likely to have been roadworthy at that time.

There was then an issue with the fluid leak that was repaired and Mr H says that he was told that the leak was caused by the earlier repair. I consider that leak to be part of the replacement of the cylinder head and I'm not persuaded that it gave Mr M cause to reject the car. There were then other issues with the car and, whilst I can understand Mr M's disappointment and frustration at further issues with the car, I'm not persuaded that there's enough evidence to show that those issues were present in March 2023 when the car was sold to him or that they caused the car not to have been of satisfactory quality at that time.

I've carefully considered the detailed submissions that Mr M has made to Santander and to this service about the car, his section 75 claim and the handling of his complaint. Complaint handling isn't a regulated activity so I'm unable to consider in this decision any issues that Mr M has raised about Santander's handling of his complaint. Santander provided a detailed and reasoned response to Mr M's section 75 claim, and whilst it's clear that he didn't agree with it, I consider that it was a fair and reasonable response to Mr M's claim.

I consider that there was a breach of contract because there was an issue with the car but the car was repaired and I consider that to have been a fair and reasonable response to that breach of contract and I'm not persuaded that there's enough evidence to show that the car was misrepresented to Mr M. Mr M has complained about the prolonged and often non-existent communication from the dealer and he says that he's submitted a claim to the small claims court. Whilst I can appreciate the frustration that he feels and the impact that those issues had on his dealings with the dealer, I'm not persuaded that any such issues would constitute a breach of contract or misrepresentation for which Santander would be liable under section 75. Nor am I persuaded that the evidence that Mr M has recently provided to this service about the dealer is enough to constitute a breach of contract or misrepresentation by the dealer for which Santander would be liable under section 75.

I'm not persuaded that there's enough evidence to show that Santander has acted incorrectly in its dealings with Mr M about his section 75 claim. Mr M clearly feels strongly about his complaint so I appreciate that my decision will be disappointing for him, but I consider that Santander's response to his section 75 claim was fair and reasonable. I find that it wouldn't be fair or reasonable in these circumstances for me to require Santander to refund to Mr M the price of the car, to reimburse him for the additional costs that he's

claimed, to pay him any other compensation or to take any other action in response to his complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 September 2025.

Jarrold Hastings
Ombudsman