

The complaint

Mr M complains about the quality of a used car he acquired through a conditional sale agreement (CSA), financed by Santander Consumer (UK) Plc.

What happened

In May 2023, Mr M acquired a used car. The cash price of the car was £32,199. An advance payment of £4,500 was made with the balance paid through a CSA, financed by Santander. The car was around 42 months old and had covered around 47,500 miles.

In May 2024, a warning light illuminated on the dashboard alerting Mr M of an issue with the car's Pedestrian Protection System (PPS) – a fault later confirmed by his garage. He was also concerned after his garage informed him the car's bonnet had been replaced, so he was thought it must've previously been in an accident. Mr M complained to Santander.

As part of their investigation, Santander instructed an independent inspection of Mr M's car. The inspection was carried out in June 2024 and the current mileage was noted on the report as being 54,694.

In summary, the engineer's report concluded the car's PPS appeared to have been interfered with at some point and that they considered the condition to have been present since Mr M acquired it. The report also noted the underside of the bonnet did not have the normal manufacturer's sticker they would expect to see.

Santander issued a final response in June 2024 partially upholding Mr M's complaint. They accepted the conclusion of the independent inspection and said the dealership would reach out to Mr M directly to resolve the fault with the PPS. In addition, Santander paid Mr M £100 to compensate him for the distress and inconvenience the issue had caused.

But Santander didn't agree with Mr M's claim the car's bonnet had been replaced prior to him acquiring it, and without him being advised. They said the HPI check carried out on the car prior to the sale showed no indications the car had previously incurred accident damage.

Santander closed Mr M's complaint, but after hearing nothing further from the dealership or Santander, he referred his complaint to our service.

One of our Investigators looked into things and said while he couldn't confirm the car hadn't ever been involved in an accident or collision, any repairs that might have taken place to the bonnet, with the exception of the PPS fault, appear to have been successful. But he said he was satisfied there was a fault with the car's PPS and that it wasn't of satisfactory quality at the point of supply.

However, because Santander had previously completed repairs to fix an issue with the car's turbo, our Investigator didn't agree that repair was a suitable solution to fix the PPS issue. He said while the fault might not have been identified sooner, the independent report confirmed it wasn't a new fault. He said a repair had already been carried out and so the Consumer Rights Act 2015 ('CRA') now gave Mr M the right to reject the car.

Our Investigator said it was now fair for Mr M to be able to reject the car and that Santander should pay him an additional £100 compensation.

Santander disagreed with our Investigator's opinion saying it was at odds with the information they'd received from the dealership. They said the car's PPS fault had been repaired and the car returned to Mr M, who had confirmed he was happy.

In light of the new information, our Investigator's opinion changed, and he no longer said Santander needed to do anything to put things right. He said the dealership had confirmed the car had been booked in with them in August 2024 and the repairs were completed and the car returned to Mr M 14 days later. They said Mr M had confirmed he was happy the following day and while he declined it at the time, Mr M was offered a courtesy car while the repairs were taking place.

Because the repairs had been completed and appeared to have been successful, our Investigator no longer felt it was reasonable to ask Santander to reject the car and he felt the initial £100 compensation paid was fair, so he didn't think they needed to pay anymore.

Mr M disagreed saying he didn't think £100 fairly reflected the distress and inconvenience the PPS fault had caused, considering he'd had to wait around 13 weeks for the repairs to be completed.

Because Mr M remained unhappy and as an agreement couldn't be reached, his complaint has come to me to decide.

I sent both Mr M and Santander my provisional decision on 2 June 2025. I explained I'd reached a different outcome to that of our Investigator. In my provisional decision I said:

'First, as this complaint concerns the quality of goods, in this case a car, supplied through a regulated CSA Mr M entered into, I'm satisfied this is a complaint we can consider.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. CRA is relevant to this complaint. It says that under a contract to supply goods, there is a statutory right for the goods to be of satisfactory quality.

To be considered satisfactory, the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and all other relevant factors.

Here, Mr M acquired a used car at a cost of £32,199. At the time of the sale, it was around 42 months old and had covered around 47,000 miles. So while I'm satisfied a reasonable person would expect the level of quality to be less than that of a new car, I still think there would be an expectation for it to be of a high standard, the car to be free from major defects and functioning to the specification set out at the time of entering into the agreement. I need to consider if Mr M's car was of satisfactory quality or not.

The independent inspection carried out on behalf of Santander said of PPS fault:

"A warning message displayed on the dashboard ""pedestrian protection system""

"we would have to consider that at some point the pedestrian system was deployed and the sensors have been bypassed by bending over the pins."

"We do consider based on the information made available that it is a possibility that this condition was present at the point (of supply)."

It went on to say:

“This issue is not from wear and tear that has developed since purchase.”

Having considered the findings of the report, I’m satisfied the car likely had a fault with the PPS. And I’m satisfied a reasonable person would consider that this fault meant the car was of unsatisfactory quality at the point it was acquired by Mr M.

Santander accepted the findings of the report and instructed the supplying dealership to put things right.

It’s important say I’m aware Mr M experienced a previous unrelated fault with the car which Santander arranged to be repaired. So while I acknowledge Mr M had already used his right to repair under the CRA, I’m satisfied he accepted their further offer to repair when the PPS fault came to light.

Repair is one of the remedies available to Mr C under the CRA. While it’s clear the repair took longer than first expected, it’s since been completed, the car is back with Mr M and I’ve not seen anything to make me conclude he’s experiencing any further issues since.

But in addition to instructing the dealership to arrange the repair, Santander paid Mr M £100, to recognise the distress and inconvenience the issue with his car had caused him. Our Investigator said he thought this amount was fair compensation, I disagree. I’ll explain why.

Santander instructed the dealership to arrange the PPS repair in June 2024, at the same time they issued Mr M their final response letter and paid him £100. I’m satisfied this amount reflected the distress and inconvenience Mr M had experienced up until this point.

However, Mr M initially heard nothing from the dealership regarding the repair and I can see he contacted Santander at least twice in July 2024 to find out what was going on. After still hearing nothing, Mr M referred his complaint to us in August 2024.

It was only after then that Mr M was contacted by the dealership, meaning he waited around seven weeks before he was even contacted for the repair to be arranged. I don’t think this delay was acceptable. Santander had the opportunity to ensure matters were progressed when the lack of action from the dealership was brought to their attention by Mr M on two occasions – but they didn’t do so.

I understand Mr M had continued use of his car throughout that period, and whilst I’ve already said I’m satisfied the car likely had a fault at the time, I’m also satisfied that fault didn’t impair his use of the it.

But Mr M was now aware there was a fault with an important safety feature on the car. And on balance I’m satisfied knowing a repair was required and hearing nothing as to when that would be done would have caused him further distress and inconvenience. I think Santander should pay Mr M a further £100 to reflect this.

Mr M has also told us he was without a car throughout the period his car was with the dealership. He said he rejected a courtesy car due to the high excess he’d have been liable for and because initially he was told the repair would only take a couple of days.

I understand the repair ended up taking around two weeks before Mr M could collect the car. I’ve thought about this carefully, but I’m satisfied alternative transport was offered to Mr M should he have required it, and he had the option of taking up this offer when it was established the repairs would take longer than he’d originally expected. So I don’t think he’s

mitigated any losses here by not doing so.

I've also thought about Mr M's concerns about his car's bonnet.

The independent report noted "the underside of the bonnet does not have the normal manufacturer's sticker which we would expect to see." But that aside, the report made no mention of any defects or faults with the bonnet. And it went on to conclude only the PPS fault as being identifiable at the time of inspection.

The report did note it was possible the PPS might have activated in the past which might indicate a collision took place. But, even if it did, any damage now appears to have been rectified.

In addition, I've haven't seen anything within the checks completed on the car to persuade me the car was of unsatisfactory quality or not as described, and as such I don't think Santander need to do anything to put things right here.

In summary, I think Santander need to do more to reflect the distress and inconvenience the delays in resolving the PPS issue with Mr M's car caused him. When considering everything in the whole, I think £200 in total is fair. So I think Santander should pay Mr M a further £100.'

Neither Mr S, nor Santander responded to 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 neither party to this complaint has provided any further evidence or argument in response to my provisional decision, I see no reason to depart from my position I've set out above.

Putting things right

I direct Santander Consumer (UK) Plc to pay Mr M a further £100, bringing the total amount of compensation paid to £200.

If Santander Consumer (UK) Plc haven't already paid the initial £100 they should ensure a total of £200 is paid to Mr M.

My final decision

My decision is that I uphold Mr M's complaint and direct them to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 July 2025.

Sean Pyke-Milne
Ombudsman