

The complaint

Mr J complains that Santander Consumer (UK) Plc (Santander) is unfairly pursuing him for an outstanding debt in relation to a vehicle that was acquired through a conditional sale agreement with them. Mr J is also unhappy that his credit file has been affected.

What happened

In March 2021, Mr J acquired a car from Santander. In February 2024, he used that car as a part exchange for another vehicle which he arranged through a broker.

Santander however, contacted Mr J to advise the agreement with them was still live and that there were missed payments. It came to light that although the broker took Mr J's previous vehicle as a part exchange, they didn't settle the existing finance on it.

In April 2024, Mr J complained to Santander about the impact this was having on his credit file and that he shouldn't have to be liable for the debt. Santander subsequently defaulted the agreement, removed their interest in the vehicle and instructed their legal representatives to recover the outstanding debt. However, they didn't remove any adverse credit information from Mr J's credit file.

In June 2024, Santander issued their final response, maintaining their position that they were unable to uphold Mr J's complaint.

Unhappy with their decision not to remove the adverse credit information from his credit file, Mr J brought his complaint to our service where it was passed to an Investigator to look into.

The Investigator recommended that Mr J's complaint should not be upheld. The Investigator didn't think that Santander had acted unreasonably by pursuing Mr J for the debt or by recording the debt as outstanding.

Mr J responded with further evidence to show he was a victim of fraud through the actions of the broker, who since ceased trading. However, the Investigator's opinion remained unchanged as he considered that Santander were entitled and required to report the activity of the agreement to the credit reference agencies (CRAs).

Mr J didn't accept the Investigator's assessment and so asked that his complaint be referred to an ombudsman for 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.

Firstly, I acknowledge what Mr J has told us about the circumstances surrounding the purchase of a new vehicle, and I can see that evidence provided appears to confirm that Mr J has been a victim of fraud when he decided to trade in his existing car. I'm sorry to hear about this. I recognise this would likely have made things more difficult for him. If he hasn't already done so, Mr J may decide to seek further support from recognised organisations.

Further related information about this can be found on our website at the following address: <https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/fraud-scams/scams-youve-tricked-making-payment>

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Mr J has made some lengthy submissions in relation to his complaint. I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

In an email in March 2025, to our Investigator, Mr J said Santander would have known in August 2024 that he'd reported the situation as fraudulent, yet they failed to take any action and didn't investigate it as such. Mr J believes the impact to his credit file could have been avoided had Santander investigated his concern properly.

Having considered what Mr J has complained about, it seems the key issue for me to consider in relation to this complaint, is whether Santander acted fairly given the circumstances.

The Information Commissioner's Office (ICO) Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies, is relevant in this case. It says: *'Lenders that supply data to the CRAs are required to ensure that the data is accurate, up to date and meets agreed quality standards'*

It also says:

'If you fall into arrears on your account, or you do not keep to the revised terms of an arrangement, a default may be recorded to show that the relationship has broken down'.

So, in consideration of what the ICO has said, Santander must ensure the information they provide to the CRAs is accurate and up to date. In an email to the Investigator in July 2025, Santander confirmed that Mr J's credit file hadn't been amended and that it accurately reflected the status of the agreement.

Having considered the outstanding debt still exists and that Santander are obliged to report accurate credit information to CRA's, I'm satisfied that they have acting fairly by adhering to what the ICO has said.

I think it's worth noting that within the same email to the Investigator, Santander also confirmed that they'd removed their interest from the vehicle in acknowledgement of the circumstances of the case. This further persuades me that Santander have treated Mr J fairly and reasonably in the circumstances.

Mr J said he didn't think Santander had acted quickly enough to investigate the matter when they were made aware in August 2024 of the situation.

Having thought about this I'm not persuaded Santander were at fault here. I'm satisfied from the information on file and from the responses Santander has provided, that they have looked into the circumstances of Mr J's complaint. I haven't seen any information or

evidence which shows that Santander unreasonably delayed things, or that they are responsible for Mr J's credit file being impacted.

All things considered, I think it's fair to conclude that the actions of the credit broker Mr J used, to acquire another vehicle, was most likely the cause of the issue and resultant impact on his credit file.

As I've concluded that Santander have acted fairly and reasonably in the circumstances, I won't be asking them to take any action in relation to this complaint.

My final decision

My final decision is that I don't uphold Mr J's complaint about Santander Consumer (UK) Plc.

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

Benjamin John
Ombudsman