

The complaint

The estate of Mrs L complains about the actions of Santander Consumer (UK) plc, trading as Santander Consumer Finance, in relation to a conditional sale agreement that the late Mrs L was using to pay for a static caravan. The estate is being represented by Mrs B, a sister of the late Mrs L.

What happened

Mrs L entered into a conditional sale agreement with Santander Consumer Finance in August 2024 to pay for a static caravan. The price of the static caravan was £63,523.17, Mrs L paid a deposit of £14,521.97 so the amount of credit provided to her was £49,001.20 and the total amount payable under the conditional sale agreement was £76,297.97. Mrs L agreed to pay that amount to Santander Consumer Finance by 120 monthly payments of £514.80.

Mrs L sadly passed away in November 2024 so Mrs B contacted Santander Consumer Finance and she says that the estate was offered two options: either keep the caravan and pay the balance owed or return the caravan and pay £22,597.42. She says that the resort company refused to buy the static caravan from the estate. The estate asked to voluntarily terminate the conditional sale agreement in January 2025 but complained to Santander Consumer Finance about the required payment. It partially upheld the complaint and said that the voluntary termination amount was being lowered, but would still be the liability of the estate.

Santander Consumer Finance sent a confirmation of intention to the estate in February 2025 which said that the conditional sale agreement had been closed and that the estate's contractual liability was £12,774.80, but it also said: *"As set out in the agreement, we are entitled to receive half of the total amount payable under the terms of the agreement, together with any arrears. The liability, therefore under this termination is £9,079.73"*.

Santander Consumer Finance says that the amount of £9,079.73 was an error but it agreed to honour that amount. The estate wasn't satisfied with Santander Consumer Finance's response so a complaint was made to this service. The complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He thought that Santander Consumer Finance had acted fairly by honouring the voluntary termination liability of £9,079.73 and he said that he wasn't in the position to say that it should waive the settlement fee and the estate was liable for it.

Mrs B said that the estate didn't accept the investigator's recommendation and would like an ombudsman to make a decision on the complaint. She said that she would send her representations before the deadline set, but no further communication had been received from her.

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.

Mrs L had agreed to pay for the static caravan using the conditional sale agreement. It said:

“You have a right to end this agreement. To do so, you should write to the person you make your payments to. They will then be entitled to the return of the goods and to half the total amount payable under this agreement, that is £38,148.99. If you have already paid at least this amount plus any overdue instalments and have taken reasonable care of the goods, you will not have to pay any more”.

Mrs L sadly passed away less than three months after she'd entered into that agreement and the agreement then became the responsibility of the estate. Its options were to: continue to make the monthly payments; make a payment to settle the agreement early (and the estate would then own the static caravan and could either keep it or sell it); or voluntarily terminate the agreement. The estate asked to voluntarily terminate the agreement in January 2025.

The voluntary termination liability was £38,148.99 but Santander Consumer Finance reduced that to £22,597.42 and then said that it was being lowered. The static caravan was sold back to the resort company and I can see that Mrs L had made three monthly payments to Santander Consumer Finance. Santander Consumer Finance wrote-off interest charges of £11,370.34 and its account statement shows that the voluntary termination liability was then £12,774.80. Because of an error, an amount of £9,079.73 was included in the confirmation of intention that was sent to the estate in February 2025. Santander Consumer Finance has honoured that amount.

I can understand the estate's disappointment that it has an additional liability of £9,079.73 as Mrs L passed away less than three months after she'd entered into the conditional sale agreement. But it asked to voluntarily terminate that agreement and I consider that Santander Consumer Finance has correctly applied the terms of the agreement. The amount that the estate is now being asked to pay is less than the amount for which it would be liable under the agreement.

The complaint form and Mrs B's communications with this service have included other issues, including concerns about the resort company's actions, the sale of the static caravan by Santander Consumer Finance, and Santander Consumer Finance being the sole provider of finance for the resort company. The estate's complaint is about Santander Consumer Finance, not the resort company, and I'm only able to consider in this decision issues about which the estate has complained to Santander Consumer Finance. I don't consider that the estate's complaint to Santander Consumer Finance included a complaint about those issues so I'm unable to make any finding on them in this decision. The investigator included in his recommendation comments about Santander Consumer Finance being the sole provider of finance for the resort company and, although I make no finding on that issue, I agree with his comments.

I sympathise with Mrs B and the estate for the loss of Mrs L and I appreciate that my decision will be disappointing for them. I find that it wouldn't be fair or reasonable in these circumstances for me to require Santander Consumer Finance to further reduce, or waive, the amount that it's charging the estate for the voluntary termination liability or to take any other action in response to this complaint.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs L to accept or reject my decision before 23 October 2025.

Jarrold Hastings
Ombudsman