

The complaint

Mrs W complains about the balance owed under a conditional sale agreement with Santander Consumer (UK) Plc trading as Santander Consumer Finance.

Throughout her complaint, Mrs W has been represented by a member of her family. But, for ease, I'll just refer to Mrs W.

What happened

In August 2023, a conditional sale agreement with Santander was taken out in Mrs W's name. The agreement was put in place to buy a used car from a dealership, with a cash price of about £65,000. Under the agreement, Mrs W was scheduled to make an advanced payment of £15,000 and then monthly payments of around £800 over a four year period. When the monthly repayments end, the remaining balance of the loan is then due in one lump sum.

Mrs W says the borrowing was taken out fraudulently and she was unaware of the agreement until March 2024. She says the owner of the dealership was a close family member, who I'll call 'X'.

However, Mrs W says that she was unable to sort things out directly with X or the dealership. And in April 2024, she asked Santander to look into what had happened. Mrs W told Santander that she didn't take out any loan they had provided. Santander didn't respond to Mrs W's concerns, so she raised a complaint.

In their final response to Mrs W's complaint, Santander said they couldn't see any evidence the agreement was taken out fraudulently. They said Mrs W had made seven repayments towards the loan and that they would consider the matter again, if Mrs W was to involve the police. Mrs W didn't accept Santander's response and brought her complaint to us.

One of our investigators looked into Mrs W's case and found that Santander had treated Mrs W fairly. He saw that Mrs W had taken out another agreement with the same dealership and said Mrs W had made significant payments towards the loan, over a significant period. So, the investigator was persuaded that Mrs W had authorised the start of the conditional sale agreement.

Mrs W didn't agree and said she didn't make the advance payment to the dealership and that X had used her identification to fraudulently take out borrowing in her name. Mrs W also told the investigator that X had done the same thing to other family members and that they had tried to report the matter to the police.

The investigator didn't change his conclusions and so Mrs W's complaint has now been passed to me to make 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.

Mrs W has brought her complaint to us alongside other very similar cases from her immediate family. I have also noted that Mrs W's representative has handled all the communication with us for all those particular complaints. For this reason, I appreciate that my decision may contain similar themes to others. But, I'd like to reassure Mrs W that I've carefully read and thought about all the very specific details of her individual concerns, about the conditional sale agreement in her name.

Where the evidence is incomplete or inconclusive, as some of it is here, I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

The application in Mrs W's name

This case is about an application for a conditional sale agreement, which is a regulated financial product. As such, we are able to consider complaints about it.

There are a few possibilities that might give Santander a proper basis for holding Mrs W responsible for the balance due under the conditional sale agreement. They are:

- Mrs W took out the agreement herself.
- A third party took out the agreement on Mrs W's behalf, with her actual or apparent authority.

Mrs W has told us that she didn't go to the dealership to sign any paperwork, or handle any application remotely. She says she didn't authorise anyone else to apply for the lending in her name. By way of explanation, Mrs W says the dealership, and in particular X, had access to all the relevant details needed to complete the application. She says this was because her close family were previously directly involved in the running of the dealership.

Santander have shown us where Mrs W's correct name, address, date of birth, bank account number and telephone number were used in the application for the conditional sale agreement. They have also summarised the link between Mrs W's close family and their running of the dealership.

While I accept that X, or someone at the dealership may have had access to Mrs W records, I don't think the use of her correct details is consistent with a third party attempting to avoid Mrs W becoming aware of their actions. In other words, I think there were several ways in which Mrs W could have noticed the creation of the loan, soon after it was taken out.

During our investigation, Mrs W provided us with a copy of her credit file. I can see from this document that separate from the agreement she has complained about, Mrs W took out another loan for a different car, with the same dealership in August 2023.

I think this information shows that Mrs W took out at least one other borrowing facility to acquire a car through X and the dealership. So, I'm persuaded that Mrs W had previously authorised a separate agreement, similar to the one she complains about.

However, Mrs W says that despite any vehicles she may have acquired with finance in the past, Santander should not have continued its relationship with the dealership. She says the dealership had lost its franchise contract, so Santander should have seen that as a sign that they shouldn't accept any further borrowing applications from that dealership.

Mrs W hasn't provided any evidence to support what she says here. I accept that the dealership may have had their franchise contract ended with the manufacturer, but I've not seen anything to suggest that X or the dealership couldn't use Santander as a lender for their customers. Because of this, I cannot say Santander had acted unfairly in accepting the application for the conditional sale agreement in Mrs W's name.

Having thought about all the evidence, I don't think the application process shows if Mrs W was the victim of identity theft and application fraud. I don't think the information used in the lending decision, is typical of a third party attempting to get finance without a customer knowing. But, I don't think this information alone, is sufficient to decide whether it's likely Mrs W took out the agreement herself, or gave her authority to X to act on her behalf.

So, I've considered the other evidence we have to decide if Santander have treated Mrs W fairly, by holding her responsible for the debt accrued under the conditional sale agreement.

The repayments made under the agreement

The conditional sale agreement in Mrs W's name includes details of an advance payment of £15,000. Mrs W says she didn't make this payment and that this supports her argument that she didn't authorise the start of the loan.

I accept that Mrs W may not have made the advance payment herself. However, I'm also aware that it's not unusual for a payment of this type to come from another source. I can see where Mrs W had another vehicle supplied by the dealership at the time, that may have been sold to raise the advance payment. I do accept though, that the loan agreement forms do not detail a part exchange arrangement. Additionally, a third party may make an advance payment on a customer's behalf.

So, I don't think the origin of the initial £15,000 instalment adds weight to Mrs W's side of the dispute.

I've also thought about the monthly repayments used to service the conditional sale agreement with Santander. I can see where a monthly Direct Debit was set up to take payments of around £800 and that this was in place for around seven months.

While I note that Mrs W had raised her concerns with Santander in April 2024, I think the value of the repayments is relevant. I say this because Mrs W paid a total of around £5,600 to Santander from the start of the loan. Given how Mrs W has described her financial circumstances during this period, I think the total value of the repayments is significant.

Overall, I'm not persuaded the repayments would have gone unnoticed. Mrs W says she didn't monitor her bank account, due to her circumstances. But, on balance, I think the monthly payment amount should have caused Mrs W to raise her concerns sooner, if she didn't recognise or authorise the borrowing with Santander. In all the circumstances, I think the frequency and value of the loan repayments, support Santander's view that Mrs W had authorised the lending application.

The other evidence available

The details held about the application for the conditional sale agreement and its repayment history, are persuasive in showing where Mrs W may have given her apparent authority for Santander to provide the borrowing. But, I've also considered the other evidence we have, to decide if it's fair for Santander to hold Mrs W liable for the outstanding balance of the loan.

Apart from potentially raising her concerns about fraud sooner with Santander, Mrs W had

an opportunity to report what had happened to the police. I say this because I think it's reasonable that Mrs W would be very alarmed at discovering a third party may have successfully applied for borrowing of around £65,000 in her name.

I've seen evidence from Mrs W that she approached the police and a relevant national fraud reporting service in July 2024. Therefore, I acknowledge where Mrs W took reasonable steps to report the dealership's actions as a possible crime. I can see from the copy of correspondence Mrs W has provided that she took this action around four months after she says she became aware of the agreement with Santander.

Based on everything provided to us, I don't think Mrs W reported the dealership's actions as soon as she says she discovered that her identity had been used to take out borrowing. This was despite the value of the loan and where she says he didn't take ownership of the vehicle the loan was used to purchase. It then follows that I think Mrs W's steps to report the matter as a crime took longer than could reasonably have been expected. I also note that the police haven't taken any further action against X or the dealership.

While we review every case we look at on their own individual merit, I've also considered where Mrs W's other family members have raised similar concerns. I empathise with all that Mrs W has told us about how all the instances combined have impacted her close family. Nonetheless, I think the wide ranging concerns Mrs W had about the dealership, may have also prompted her to have contacted the police sooner.

Moreover, I can see from Santander's records where they discovered that the car financed by the conditional sale agreement in Mrs W's name was sold to a different customer in March 2022. Santander gathered proof of this, by asking that customer for purchase receipts. So, I accept Mrs W's argument, that the dealership organised finance for a car that appears to have been owned by a third party.

I should add at this point, that my role isn't to investigate any criminal allegations against the dealership, as I don't have the power to do so. My role is to decide if Santander can fairly expect Mrs W to repay the balance of the conditional sale agreement. I must weigh the information about the registered owner of the car against the other evidence we have. And having done so, I'm persuaded Mrs W likely gave her authority for the loan to be taken out in her name.

Mrs W has also sent us copies of documents showing where other customers of the dealership have taken legal action against X. Although I can see that action is ongoing, I cannot see where Mrs W has taken action herself, to try and recover funds from the dealership.

In all the circumstances, I don't think the other evidence available supports Mrs W's argument that the conditional sale agreement was taken out without her authorisation. I do not doubt that Mrs W's relationship with X has broken down because of the borrowing with Santander. This is clear from looking at the correspondence she has shown us from between family members.

But, I don't think the evidence demonstrates where Mrs W was dissatisfied with any arrangement she may have had with the dealership in August 2023.

Summary

I understand from what Mrs W says that her relationship with X has changed significantly. I also acknowledge the extremely difficult financial circumstances she says she is dealing with. But, I'm not persuaded that X applied for the borrowing without Mrs W's knowledge or

authorisation.

Having considered all the evidence, I don't think Santander are acting unfairly by deciding that the most likely thing to have happened, is that Mrs W gave her authority, or apparent authority for the opening the conditional sale agreement. Therefore, I don't find I have the grounds to direct Santander to stop pursuing Mrs W for the outstanding debt owed.

From what I've seen, it seems that Mrs W has made only some of the repayments to Santander since the start of the loan. So, it's likely that a balance remains owed by Mrs W. I recognise this will likely add to the difficult financial position that Mrs W has explained, in that she needed to sell her home and use her personal savings. This must be a very troubling time and I empathise with all that she has told us.

In this instance, I remind Santander of their responsibility to treat Mrs W's current financial circumstances with due consideration and forbearance. This will mean working with Mrs W to make sure she is able to make affordable repayments to any outstanding debt, if she's unable to make a lump sum payment.

My final decision

My final decision is that I don't uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 4 December 2025.

Sam Wedderburn
Ombudsman