

## The complaint

Miss T complains that a car supplied to her under a conditional sale agreement with Santander Consumer (UK) Plc trading as Santander Consumer Finance (Santander) was of an unsatisfactory quality.

## What happened

In August 2022, Miss T acquired a used car through a conditional sale agreement with Santander. The car was first registered in June 2019 and had travelled around 13,700 miles. The cash price of the car was £46,044 and Miss T paid a deposit of around £5,970. The amount of credit was £40,073 and the duration of the agreement was 49 months; with 48 monthly payments of around £591 and a final payment of around £20,666.

In August 2023, the engine management light illuminated and the car went into limp mode. The fault was traced to stretched timing chains, which were replaced under warranty.

The car broke down again in August 2024 and the diagnosing garage confirmed the engine had seized due to an internal fault. They advised the car needed a new engine, turbocharger and diesel particulate filter (DPF), as these were all beyond repair. Miss T was quoted around £18,000 for the required repairs.

In their final response, Santander said due to the time that had passed since Miss T acquired the car, the onus was on her to prove the faults were present at the point of supply.

Our Investigator reviewed matters and thought the car wasn't sufficiently durable and therefore not of satisfactory quality when it was supplied to Miss T. They said Santander should accept rejection, refund Miss T's deposit and payments made since the engine failure, refund repair and other costs incurred and pay £300 compensation for the distress and inconvenience caused.

Santander didn't agree with the Investigator's view. As no agreement was reached, the matter was passed to me to decide.

I issued a provisional decision, setting out my intention to uphold the complaint but award different redress to our Investigator. I said:

*Miss T acquired the car using a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.*

*The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss T entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. Santander is the supplier of the car and therefore responsible for complaints about its quality.*

*The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. In this case those relevant circumstances include, but are not limited to, the age, mileage and cash price of the*

car at the point of supply. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Miss T's case the car was used, with a cash price of £46,044. It had covered around 13,700 miles and was nearly three years old when she acquired it. It would be unreasonable to have the same expectations as if the car was brand-new. But I also note this is a relatively young luxury car, with what I consider to be a substantial cost and low mileage. So, I think a reasonable person would have high expectations of its quality and performance.

One element of satisfactory quality refers to durability and the expectation here is that goods will last for a reasonable amount of time. In Miss T's case, the faults relate to the engine components and ultimate complete failure of the engine itself. A car's engine is a key component and commonly expected to last the lifetime of the car.

It's clear the timing chains were replaced in September 2023, which was noted by the repairing garage to be required due to the chains being stretched. At this point, the car had travelled around 21,000 miles. Timing chains are generally expected to last around 100,000 miles before signs of stretching occur, so I don't think a reasonable person would expect them to need replacing after so little mileage. In my view, this demonstrates the timing chains failed prematurely and therefore were not sufficiently durable.

Santander say these repairs were unauthorised, as neither they or the supplying dealership were informed of the issue beforehand. I don't consider it unreasonable to have expected Miss T to have informed Santander of the issue at the time. However, I've seen the repairs were arranged via Miss T's warranty provider. Having considered the response Miss T received from both Santander and the supplying dealership when the engine failed, I'm persuaded that, on balance, it's more likely than not Miss T would've been directed to her warranty provider in any event. And I'm satisfied Miss T took the car to a garage approved by her warranty provider, given the claim was successfully paid.

Santander also say the timing chains were replaced as a preventative measure rather than to repair a fault – but I haven't seen anything to suggest this was the case. The evidence available confirms the inspection of a "fault" that was traced to stretched timing chains that required replacement – which I consider to be a fault in need of repair.

The engine seized in August 2024, by which time the car had travelled around 28,000 miles. Santander say this was most likely attributable to improper or incomplete repairs, such as failure or misalignment of the timing chain. However, had this been the case I would've expected the engine failure to occur much sooner. Santander have also referred to the immediate nature of an engine failure in such circumstances. Given the engine didn't fail until a year after the timing chain repair, and Miss T was able to drive the car with no issues during this time, I'm not persuaded the engine seizing was a result of the previous repair.

I've also considered that lack of maintenance can result in premature engine failure, but I can't see that's the case here. I've seen the service history which shows the car was serviced shortly before it was supplied to Miss T, and again in June 2023 at 20,504 miles. This was within the manufacturer's servicing recommendations of 42,000 miles or 48 months, whichever sooner.

Having considered all evidence available, and what the CRA sets out about durability, I think a reasonable person would not expect a car to suffer a catastrophic engine failure at such low mileage. For this reason, I'm persuaded the engine (and therefore the car) was not sufficiently durable. And because of this, the car was not of satisfactory quality when it was supplied to Miss T.

## **Putting things right**

*Having determined the car wasn't of satisfactory quality when it was supplied to Miss T, I've next considered what Santander should do to put things right.*

*Our Investigator thought Santander should pay for repairs and allow rejection of the car, but I don't agree this is reasonable. While rejection is a remedy under the CRA, the consumer can choose to accept a repair instead, which Miss T effectively did when she arranged for the engine to be replaced by her chosen repairer. This repair was completed in April 2025 and Miss T has been using the car since. Other than a sensor issue that was resolved promptly under warranty, Miss T hasn't informed this service of any ongoing issues with the car – so it seems the repair was successful. While I accept Santander are unlikely to accept liability for any further engine issues due to the repairs being unauthorised, Miss T has confirmed the engine repair is covered under warranty. So she has this protection as well as recourse via her chosen repairer if there were to be any issues with the repair carried out.*

*However, I don't think it's reasonable for Miss T to bear the financial loss incurred for the repairs due to the car not being sufficiently durable.*

*While the timing chain repair was covered under warranty, Miss T has shown that she contributed around £1,025 towards the costs of this repair – which should now be refunded. Miss T has also provided a breakdown of the total cost of the engine repairs, as well as proof of payment totalling around £10,162 excluding costs covered by the garage or warranty provider. This should also be refunded.*

*I haven't seen proof of payment of any recovery costs, but if these were incurred, Santander should refund these on receipt of evidence they've been paid by Miss T.*

*While the car was awaiting and undergoing repairs it was off the road and undrivable. Miss T says she was without the car for around six weeks when the timing chain was being repaired, and seven months before the engine was repaired. During these times, she was paying for goods she was unable to use. As the car was off the road due to it being of unsatisfactory quality when it was supplied, Santander should refund eight monthly payments to reflect loss of use.*

*Interest should be added to all refunded amounts, calculated at 8% simple per year on each of the refunded payments, from the date of payment until the date of settlement.*

*Lastly, I've considered that Miss T has been inconvenienced by the breakdown of the car twice, having to arrange repairs and being left without a car following the timing chain and engine failures. Miss T says the matter has caused significant financial strain and she had to borrow from a family member to fund the cost of repairs. I therefore think Santander should pay Miss T £500 compensation in recognition of the distress and inconvenience caused over a considerable period of time by being supplied with a car that wasn't of satisfactory quality.*

## **Responses to my provisional decision**

*I invited both parties to respond with any further points or evidence they wanted me to consider before I issued my final decision on this complaint.*

*Miss T accepted my provisional decision and didn't offer any further comments or submissions for my consideration.*

*Santander didn't agree. In summary, they said:*

- *Miss T hasn't provided any evidence to support there was a fault present at point of supply that arose from an inherent manufacturing defect – which is required under the CRA.*
- *Miss T instructed a third party to replace the timing chain without notifying the dealership or Santander. They were therefore denied the opportunity to inspect, diagnose or authorise repairs.*
- *The subsequent engine failure could've been caused or contributed to by these repairs, which they consider to be a new intervening act breaking the chain of causation between any alleged original defect and the later engine failure.*
- *The proposed award amounts to betterment - effectively providing the consumer with a reconditioned car at no cost after two years of use. This is inconsistent with the CRA which requires remedies to be proportionate and not punitive.*

### **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.

Having done so, I've reached the same overall conclusions as those set out in my provisional decision, for the same reasons.

It's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. I'm aware I've summarised Santander's response in significantly less detail. I also note most of the points made by Santander were included in their previous submissions to this service and considered by me prior to issuing my provisional decision. I therefore won't be addressing each individual point again here. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

As set out in my provisional decision, I considered that Miss T didn't notify the dealership or Santander of the timing chain issue before going ahead with the repairs. I agree she should've done this, but I'm not persuaded it would've made a difference here. When Miss T contacted the dealership and Santander about the engine issue, she was advised they were unable to assist due to the time that had passed since she was supplied with the car. Given the timing chain was also reported outside of the first six months, I think it's more likely than not she would've received the same response and/or referred to her warranty provider. Miss T arranged repairs via the extended warranty sold to her by the dealership, and the repairs were carried out by a garage approved by the warranty provider. So, I don't agree they were unauthorised repairs carried out by her own repairer.

Santander have provided emails from the warranty provider that confirms Miss T's claim was initially declined due to there being no sudden mechanical failure demonstrated. However, they also confirm that the claim was later approved following a technical re-review. They confirmed the presence of a fault code and potential stretched timing chains and that the timing chains were replaced before they could potentially snap and cause further engine damage.

The dealership has explained the fault code could have related to either a slight stretch in the timing chain or a fault with the Variable Valve Timing (VVT) unit. They explained a VVT unit is driven mechanically by the timing chain and common causes of VVT problems include dirty or low-quality engine oil, low oil levels of incorrect oil viscosity or oil pressure issues.

So, they believe the issue could've related to maintenance-related factors.

I've already set out in my provisional decision why I don't think the faults relate to lack of maintenance, having considered the service history. And having reviewed all the evidence available, including the repairing garage confirming the timing chains to be stretched after stripping the car, I'm persuaded this was the cause of the issue reported by Miss T. I accept replacing the timing chains was in some way preventative to avoid further significant damage to the engine. But I also consider stretched timing chains in itself to be a fault requiring repair. I also think it's unlikely the warranty claim would've been approved for such repairs if no fault existed.

The later engine failure didn't occur until a year later, before which Miss T was able to use the car without any ongoing issues. For this reason, and those set out in my provisional decision, I'm not persuaded the engine failure was linked to the timing chain repair. When Miss T reported the engine failure to Santander and the dealership, they had the opportunity to inspect the car. While I understand this was outside of the first six-months, I don't think any reasonable person would expect a catastrophic engine failure in a five-year-old car that had only travelled 28,000 miles. As the CRA sets out the expectation that goods will be sufficiently durable, I don't think it's unreasonable to have expected Santander to have done more to assist Miss T and attempt to determine the likely cause of the failure in these circumstances.

Overall, based on all the evidence available, I'm satisfied a reasonable person wouldn't expect the timing chains to need replacing, or catastrophic engine failure on a car with a substantial cost and that had travelled such little mileage. For this reason, I'm persuaded these components (and therefore the car) were not sufficiently durable. And because of this, the car was not of satisfactory quality when it was supplied to Miss T.

Where a car is of unsatisfactory quality, the possible remedies are set out within the CRA. Outside of the first 30 days of the agreement, during which Miss T had a short term right to rejection, the CRA says a consumer has a right to reject if the goods do not conform to contract after one repair or replacement. However, this doesn't mean that the customer is required to reject the car, and they can agree an alternative remedy such as further repairs to the car.

Here, Miss T arranged for the engine to be repaired, so I don't think rejection is now a reasonable remedy for the reasons explained in my provisional decision. However, the costs Miss T incurred to repair the car should be refunded by Santander, as these were costs incurred as a direct result of being supplied with a car that was of unsatisfactory quality. I don't agree with Santander's comments that this leaves Miss T in a better position, especially given the engine was replaced with a reconditioned one. And Miss T did what she could to mitigate her loss, by finding the cheapest way to repair the car after receiving an initial quote of £18,000 for the repairs.

Ultimately, Miss T was entitled to car that was of satisfactory quality and didn't get it. My award therefore reflects the impact caused and puts her in the position she'd have been in had that not happened.

### **My final decision**

For the reasons explained, my final decision is that I uphold Miss T's complaint about Santander Consumer (UK) Plc trading as Santander Consumer Finance and direct them to:

- Refund the £1,025.99 Miss T paid towards the cost of the timing chain repairs.
- Refund the £10,162.09 Miss T paid towards the engine repairs.

- Refund any recovery costs on receipt of evidence these were incurred by Miss T.
- Refund eight monthly payments to reflect loss of use.
- Pay 8% simple yearly interest on all refunded amounts - calculated from the date of payment to the date of the refund†.
- Pay Miss T £500 compensation for the distress and inconvenience caused.

†If Santander considers that tax should be deducted from the interest element of my award, they should provide Miss T with a certificate showing how much they have taken off so she can reclaim that amount, if she is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 13 October 2025.

Nicola Bastin  
**Ombudsman**