

The complaint

Miss D complains about the quality of a vehicle that was supplied through a hire purchase agreement with Santander Consumer (UK) Plc (Santander).

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which said:

In October 2022, Miss D acquired a used car through a conditional sale agreement with Santander. The car was about three years and five months old and had travelled 26,840 miles when it was supplied. The cash price of the car was £17,748. An advanced payment of £100 is listed, so the total amount financed on the agreement was £17,648 payable over 48 monthly repayments of £271.65 followed by a final repayment of £7,055.99.

Miss D said that in February 2025, the vehicle suffered engine failure due to a faulty wet belt. She said the fault is a known issue for the model of vehicle.

In April 2025, Santander issued their final response to Miss D's complaint which they didn't uphold. In summary it said as the fault happened more than six months after the vehicle was supplied to her, they'd require evidence to confirm the fault was occurring within the first six months.

Unhappy with their decision, Miss D brought her complaint to our service where it was passed to one of our Investigators to look into.

Miss D provided an invoice from the dealership dated in May 2025, confirming the failure of the wet belt and a cost of £5,364 to repair it. She also provided a statement from her employer expressing the professional and personal challenges she was experiencing as a result of not having her car available.

In an email dated in August 2025, Miss D confirmed to our Investigator that the car was taken to the garage in February 2025, fully repaired and returned to her in mid-May 2025.

In August 2025, the Investigator issued their view and recommended that Miss D's complaint should not be upheld. In summary the Investigator concluded that it was likely the car was of a satisfactory quality when it was supplied. The Investigator considered there was a lack of servicing as per the manufacturer's guidelines, and no expert evidence showing the faults would have been present or developing at the point of supply.

Miss D didn't accept the Investigator's view. She responded to say she was offered a goodwill contribution of £1,125 towards the repairs and didn't think the missed service would have made a difference as she believed the car wasn't suitably durable.

In September 2025, the Investigator issued a second view and recommended that the complaint should be upheld. In summary, the Investigator recognised an error they made in their initial view, which suggested a service interval had been missed. However, on further review the Investigator concluded the servicing was correct and so concluded that the car wasn't suitably durable given the issues.

To put things right the investigator recommended Santander facilitate a rejection of the car, refunding Miss D's deposit and reimbursing what she paid for the repairs and the rentals for when she didn't have use of it. The Investigator also recommended Miss D be paid £200 in compensation for the distress and inconvenience caused.

Santander didn't accept this recommendation and responded with comments from the dealership which challenged the grade of oil used during a service schedule. It also considered, Miss D was unable to prove the issues were present or developing at the point of sale.

As Santander didn't accept the Investigators view, the complaint was passed to an ombudsman for a final decision.

I sent Miss D and Santander my provisional decision in December 2025. I explained why I thought the complaint should be upheld. The key parts of my provisional findings are copied below:

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.

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.

Miss D complains about a conditional sale agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Miss D's complaint about Santander. Santander is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that Santander supplied Miss D with a used vehicle that had travelled around 26,840 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage which may impact its overall quality and reliability, so there'd be an increased likelihood of unforeseen problems surfacing sooner than in a new vehicle.

Having said that, the car was priced at £17,748 which isn't insignificant. It also wasn't a particularly old vehicle. So, I think it is fair to say that a reasonable person would expect it could offer a reasonable duration without any major issues, for example, especially if it has been well maintained and serviced.

From the information provided I'm satisfied there was a fault with the car. This is apparent from the repair invoice provided by Miss D which confirmed there was a wet belt failure resulting in the oil starvation to the cylinder head causing the camshaft to break. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

In their final response, Santander confirmed Miss D reported the issues to them in March 2025. This is around the time she said the warning lights appeared on her dashboard and when she said a manufacturer garage confirmed there was engine failure due to a failed wet belt. So, I'm satisfied the issues Miss D experienced occurred around two years and four months after she was supplied the car. The mileage on the repair invoice was recorded as 35,737. So, I'm satisfied miss D was able to travel approximately 8,897 miles prior to the engine's failure.

The repair invoice dated in May 2025 states what the fault is, but it doesn't detail what caused the wet belt to fail. It doesn't give any context as to whether the component was inherently faulty or whether the issue was likely to be present or developing when Miss D acquired the car. The invoice says the wet belt failure caused a starvation of oil to the cylinder head causing the camshaft to break. Neither party has provided any further evidence of the likely causes of the belt's failure.

Research shows the manufacturer's recommended replacement for a wet belt on the model of vehicle to be every 10 years or after the vehicle has travelled considerably more than 100,000 miles. The wet belt on Miss D's car failed at a mileage of around 36,000 and after the vehicle was around five years old. In the circumstances of this complaint, I'm satisfied that it failed prematurely.

According to the manufacturer's guidelines the servicing schedule for the model of vehicle is 18,000 miles or two years, whichever comes sooner. Miss D provided a service record for the car which demonstrated it was serviced at 35,731 miles in November 2024. According to the schedule Miss D serviced the car a month later than when it was required. However, I acknowledge that the mileage completed was around 9,000, which is considered below average usage, given the time frame. So, I don't consider it was likely that a month's delay in the servicing would have resulted in the damage Miss D experienced. In addition, I've no evidence that Miss D's driving habit would have contributed to the premature failure of the belt.

In their response to the Investigator's view, Santander provided commentary from the dealership which questioned the grade of oil used in the last service Miss D had on the car. They suggested the incorrect oil could have contributed to the belt's failure. I don't doubt

what the dealership has said here, however I don't think it's reasonable to place that burden on Miss D. I don't think it's a reasonable expectation on a vehicle of the age and mileage of Miss D's, that when brought to a professional servicing centre, a prior inspection or verification of the oil grade should be carried out by the customer. I don't think a reasonable person is expected to do this. In any case, I've seen no evidence that the type of oil was a contributing factor to the failure of the belt.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods. All things considered, and from the evidence provided by both parties, I think it's fair to conclude that Miss D's car was not suitably durable because it suffered catastrophic engine failure after around 36,000 miles as the result of a part failing that should not reasonably have failed at that mileage. I've seen no evidence of any other contributing factors, and as such I do not think a reasonable person would expect to have to replace the engine on a car of this age and mileage so soon, so I do not consider the car was of satisfactory quality at the point it was supplied.

As I've concluded the car wasn't of satisfactory quality when it was supplied to Miss D, Santander will have to put things right.

Miss D has reported further issues with the car since it has been repaired. She hasn't pointed to a failed repair, rather that a further issue has arisen resulting in the alternator needing replacement. I've thought about this carefully, however, besides what Miss D has said I've seen no evidence of this, for example in the form of an expert report or diagnostic. I acknowledge the alternator can be directly impacted by the performance of the wet belt, but I have no evidence of this, so I don't consider any current faults with the car are a result of unsatisfactory quality issues.

Having said that, Miss D said she wasn't able to use the car between February and May when it was being repaired, so I'll be asking Santander to refund to Miss D the monthly repayments for this time. Miss D should also receive a reimbursement for what she paid towards the repairs. I recognise the manufacturer made a contribution towards this, however, Miss D said she paid a total of £5,364.10.

And in consideration of the impact to Miss D's professional and personal life as described by the statement Miss D provided from her employer, I'm in agreement with the investigator that £200 fairly recognises this.

I invited both parties to make any further comments. Miss D responded to say that she'd lost confidence in the car and as it was not of satisfactory quality when it was supplied, she asked that she be able to reject it. Miss D made further submissions which I'll address below.

Santander didn't respond to my provisional findings.

Now both sides have had an opportunity to comment, I can go ahead with my 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.

Miss D has made submissions in response to my provisional decision. I have considered all of what it has said. I'll address what I consider to be the main points Miss D has raised and explain why these don't change the outcome I've reached.

Within her responses Miss D made the following points:

1. *That she'd lost confidence in the car, and there are still issues present which causes her anxiety*
2. *Given the ongoing faults with the car and that the alternator was diagnosed 11 weeks after the repair, she should be allowed a final right to reject the car as recommended by the Investigator*

The above is not exhaustive, but a summary of what I considered to be the main points raised in Miss D's response to my provisional decision. To be clear, I've considered all the information provided by both parties in relation to this complaint, however to maintain the informal approach of this service I've focussed on what I've considered to be the main issues here.

I acknowledge what Miss D has said about losing confidence and the issues still present with the car despite the repair to the engine. Miss D highlighted that a fault with the alternator was diagnosed and strongly believes that this is an ongoing issue which relates to the engine replacement, given it occurred 11 weeks later.

I also recognise the Investigator recommended a rejection of the car as they also considered the alternator wasn't suitably durable as it failed prematurely. I've thought about this carefully, however I still consider my provisional findings as the most reasonable outcome.

Although Miss D has raised new issues with the alternator, I've not seen any expert evidence that it's a result of failed repairs, or an underlying fault.

The CRA says that the final right to reject applies if "*after one repair or one replacement, the goods do not conform to the contract.*"

Although Miss D claims the goods (the car) is still of unsatisfactory quality, I've not seen any invoice or diagnostic confirming the alternator has failed, nor have I seen any expert evidence confirming why this is the case, for example that the engine repairs have failed, or have caused further damage or that the alternator was inherently faulty or not suitably durable.

The performance of an alternator can be impacted by different factors. So, I don't think it's reasonable to make the assumption, without compelling evidence, that the issues relating to it are because of the repairs previously carried out or because of an inherent fault with it.

I still consider my provisional decision to be fair and reasonable in the circumstances. Neither party has added anything which gives me cause to change these. Therefore, for the reasons as set out above and in my provisional decision, my final decision is the same.

I recognise that this decision is likely to be disappointing for Miss D, however I can assure her that I've considered all the evidence provided and believe on balance that my provisional findings are fair in the circumstances.

My final decision

Having thought about everything above along with what is fair and reasonable in the

circumstances I uphold this complaint and instruct Santander Consumer (UK) Plc to:

- refund to Miss D the monthly rentals she made from February 2025 to May 2025, as she didn't have use of the car
- reimburse to Miss D £5,364.10 for the repairs to the car as detailed in the invoice provided
- pay Miss D £200 for the distress and inconvenience caused
- remove any adverse information that may have been recorded with the credit reference agencies in respect of this complaint.

Santander Consumer (UK) Plc should pay 8% yearly simple interest on all refunds and reimbursements calculated from the date of payment to the date of settlement.

If Santander Consumer (UK) Plc considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Miss D how much it's taken off. It should also give Miss D a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 21 January 2026.

Benjamin John
Ombudsman