

The complaint

Miss C has complained that a car she acquired on finance from Santander Consumer (UK) Plc wasn't of satisfactory quality.

What happened

In August 2024, Miss C entered into a finance agreement with Santander for a new car. However, she's explained she first had problems with the entertainment system in November 2024, and has taken the car back to the dealership multiple times between January and May 2025, but the problem persists.

Accordingly, Miss C contacted Santander, to say she wanted to reject the car. She told Santander it could obtain the job sheets from the dealership. Santander then issued its final response, to say it wasn't upholding her complaint, as she'd not provided evidence of the fault.

One of our investigators looked into what had happened. He was satisfied the car was new, so it's reasonable to expect the level of quality to be higher than a second-hand, more road-worn car. And that it could be used – free from defects – for a considerable period of time. He contacted the dealership and was provided with copies of the job sheets.

The February 2025 job sheet shows there was a fault in entertainment system. An update was applied, which doesn't appear to have resolved the issue. The May 2025 job sheet shows Miss C was still experiencing issues with the radio and this was investigated again. But the problem has not been resolved.

Because this is a brand-new car, our investigator was satisfied it should have been free from defects at the point of supply. So, he didn't think the car was of satisfactory quality when it was supplied.

As repairs had already been attempted by the supplying dealer, he thought the one opportunity to repair has been used. So, Miss C should now be able to reject the car.

The complaint's now been passed to me 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.

Having done so, I'm upholding it. I'll explain why.

It's clear from the job sheets that there was a fault, and I'm satisfied it's not been put right. As the dealership has attempted repair, I agree that this should fairly be viewed as the one chance to repair, under the Consumer Rights Act 2015. And, a new car should not have defects within just weeks of it being supplied.

This means I think it fair that Miss C be able to reject the car, and be refunded her deposit.

I'm also mindful that she's had impaired use of the car, because of the entertainment system issues, and think that a 10% refund of her repayments, on a pro rata basis from 1 November 2024, onwards, is fair. I've chosen the date of 1 November, as it's unclear exactly when in November the problem presented itself, but I know it was very early on, and a date needs to be settled upon so Santander can calculate the redress payable.

I can also see the matter has been very upsetting and inconvenient. This is the case, given the numerous times the car had to be taken back to the dealership. Further, Santander declined her claim without getting the job sheets from the dealership. Miss C could not get them herself, as the dealership said it would only release them to Santander, and she'd explained this. This caused significant added upset, and I think £300 compensation is fair to address this.

Putting things right

To put things right, Santander should:

- end the agreement with nothing further to pay;
- collect the car at no further cost to Miss C;
- refund her deposit/part exchange contribution in full, adding 8% simple interest a year, from the date of payment to the date of settlement;
- refund 10% of monthly repayments from 1 November 2024 onwards (on a pro rata basis), in respect of the impaired use, adding 8% simple interest a year, from the date of each payment to the date of settlement;
- pay £300 for the distress and inconvenience caused; and
- remove any adverse information from Miss C's credit file in relation to the agreement.

My final decision

For the reasons given above, it's my final decision to uphold this complaint. I require Santander Consumer (UK) Plc to take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 February 2026.

Elspeth Wood
Ombudsman