

## The complaint

Miss H complains that the car she acquired through Santander Consumer (UK) Plc, trading as Santander Consumer Contract Hire (“Santander”) wasn’t of satisfactory quality. The fault with the car has been resolved, but she’s unhappy with the way Santander settled her complaint.

## What happened

Miss H entered a hire agreement in October 2024 to acquire a new car. The credit agreement was set up over a term of 36 months, with monthly rentals of £307.45.

The details of this complaint are known to both parties, so I’m only going to summarise the key points here.

Miss H says:

- She leased a car through Santander and in late April 2025 an airbag warning appeared rendering the car unsafe and unroadworthy;
- she took the car back to the supplying dealership where it remained for 40 days until early June 2025;
- there were multiple repair failures – replacement parts arrived faulty or could not be programmed;
- she had to rely on a courtesy car that wasn’t suitable for her needs. She wasn’t permitted to transport her dog in the car and this affected both her personal life and her work life;
- she wants a refund of payments made under the hire agreement to reflect the period when she couldn’t use her car. Failing this, she wants to reject the car and terminate the hire agreement.

Santander said it wouldn’t accept rejection of the car as it had been successfully repaired on the first attempt. And it explained that under the relevant legislation, it was permitted an opportunity to repair any fault. It did acknowledge that Miss H had been without the car for a period, and although she’d been provided with a courtesy car, it said it would refund 10% of the payments she’d made when she had no use of her own car. It also paid Miss H £150 compensation in recognition of the distress and inconvenience she’d experienced.

Our Investigator looked at this complaint and said he’d spoken with Santander, and it had agreed to pay Miss H a further £150 in compensation – in addition to the payments it had already made – and he explained why he thought this was a fair way to settle this complaint.

Our Investigator explained the relevance of the Consumer Rights Act 2015 (“CRA”) in the circumstances of this complaint. He said that the third party’s act of supplying faulty components to the supplying dealership had simply *delayed* the repair of the airbag – repairs to the airbag couldn’t be completed immediately – but that this didn’t mean that the repairs had failed. And he said the delays in repairing the car and returning it to Miss H resulted in his asking Santander to pay a further £150 compensation.

Our Investigator noted that Miss H had been kept mobile; a courtesy car had been provided, so it wasn't appropriate to ask that her monthly rentals were refunded in full. He said he thought Santander's refund of 10% of the rentals paid over the period Miss H couldn't use the car was appropriate in the circumstances of this complaint.

Finally, our Investigator explained that Miss H's complaint about scratches to her car whilst it was with the supplying dealership was not something this Service could consider. And he suggested she raise a complaint about this with the supplying dealership if she wanted to pursue this matter further.

Santander accepted our Investigator's recommendations. Miss H did not, so the complaint comes to me to decide. Miss H said that under her understanding of the CRA, she could exercise her right to reject the car and that she had done so in May 2025. Miss H said she wished for her complaint to be resolved by terminating the lease, or; further refunds of her payments to be made, or; significantly increased compensation to reflect the disruption and prolonged service failure.

### **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 considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll explain why.

The credit agreement entered into by Miss H is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it.

The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the "quality of the goods is satisfactory".

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a vehicle purchase, will include things like the age and mileage of the vehicle at the time of sale, and the vehicle's history.

The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

I'm pleased to see that the fault with the airbag appears to have been resolved, and I've not been made aware of any further faults with the car. So there's no need for me to consider further the fault with the airbag, or whether the car was of satisfactory quality when supplied.

The parties do not agree on how the complaint should be settled, so this is the focus of my decision.

First of all, I do not agree with Miss H's position that attempts to remedy the fault with the airbag failed, or that the supplying dealership, and therefore Santander by extension, exercised more than their one opportunity to carry out successful repairs.

In my view, Santander and the supplying dealership are permitted to undertake the necessary work(s) to remedy a fault. And it's only when the fault has been repaired and the

car has been returned to Miss H, that I'd consider a subsequent and similar fault to be evidence of a failed repair.

Miss H and Santander should note that the *one opportunity to repair* relates to the car as whole, and not each individual fault. What this means is that were Miss H to experience further faults with the car – now that it's been returned to her – that were present or developing at the point the car was supplied, then it's likely that any request by Miss H to reject the car would be considered favourably.

Now, it's significantly more than six months since she acquired the car, so any claim Miss H were to make about further faults would need to be supported by a report from an appropriately qualified independent engineer – instructed and paid for by Miss H – and that report would need to conclude that fault(s) were present, and that they were likely present or developing in October 2024 when the car was first supplied.

This is because the CRA says where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless the business can show otherwise. But, if the fault is identified after the first six months, then it's for the consumer to show the fault was present when they first acquired the car.

So on the basis of what I've read, although a third-party may have provided the supplying dealership with incorrect / faulty components, the fact that it recognised this and re-ordered replacement components before *completing* the repairs and *returning* the car to Miss H means I'm persuaded that Santander was still exercising its one right to repair.

It seems that the repair to the airbag has been successful, so rejection of the car would not be appropriate.

Next, I've gone on to consider what compensation Miss H ought to receive. And, having done so, I've reached the same conclusion as our Investigator – I think his recommendation for settling this complaint is fair and reasonable in all the circumstances of it.

Miss H was kept mobile; she was provided with a courtesy car. This Service's usual approach is that if a consumer is not kept mobile, then monthly payments for the period of immobility should be refunded. So the fact that Santander has refunded 10% of Miss H's payments for the period in question is more than we'd routinely expect, so I won't ask it to refund any more of Miss H's monthly payments.

Finally, I've considered Miss H's distress and inconvenience in this matter. She's explained the effect that delays in repairing the car had on her both from a personal and a work perspective. I need to tell both parties that calculating this sort of compensation is not an exact science. I can't ask Santander to pay Miss H her hourly or daily rate, we simply do award compensation in this way.

But I am going to require Santander to pay some compensation. I've noted the frustration, and disruption that this whole episode caused Miss H, and I'm going to ask Santander to pay the additional £150 recommended by our Investigator. But I need to tell Miss H that this is in recognition of her experience, it is not to *punish* Santander as this is not the role of this Service.

In summary, I'm satisfied that the compensation suggested by our Investigator is both fair and reasonable in the circumstances of this complaint, and I'm going to direct Santander to compensate Miss H accordingly.

### **Putting things right**

I direct Santander Consumer (UK) Plc, trading as Santander Consumer Contract Hire to put things right by doing the following:

- Paying Miss H a further £150 – if it hasn't already done so – for the distress, worry, and inconvenience that's been caused by the situation with the car that it supplied.

### **My final decision**

My final decision is that I uphold this complaint and require Santander Consumer (UK) Plc, trading as Santander Consumer Contract Hire to fairly settle this complaint as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 19 February 2026.

Andrew Macnamara  
**Ombudsman**