

## The complaint

Mr D is unhappy that a car supplied to him under a conditional sale agreement with Santander Consumer (UK) Plc trading as Volvo Car Finance ('Santander') was of an unsatisfactory quality.

## What happened

In August 2023, Mr D was supplied with a used car through a conditional sale agreement with Santander. He paid an advance payment of £21,500 and the agreement was for £5,000 over 24 months; with monthly payments of £235.82. At the time of supply, the car was around three years old and had done 17,437 miles (according to the MOT record for 15 August 2023). Mr D settled the agreement shortly after taking it out.

Mr D says that he started to have problems with the infotainment system, specifically the DAB radio, and the car was taken to two separate dealerships (including the selling dealership) to try and sort out the problem. However, the problems persisted. He complained to Santander, and they arranged for the car to be inspected by an independent engineer.

The inspection took place on 12 November 2024 when the car had done 46,878 miles – around 29,500 miles since it was supplied to Mr D. The engineer said that, by using the lead supplied (present in the car at the time of inspection) they tried to charge a dead phone from the USB supply. However, a warning came up that the phone was charging slowly. The engineer also found that the front 12v socket wouldn't power the dashcam, but Mr D advised them that the fuse had blown and not been replaced – he was concerned that the fuse had only blown after the car had been back to the dealership for its last repair.

The engineer successfully plugged in a different phone with the charging leads supplied, connected to Android Auto and accessed maps. They then used the sat nav to navigate to and from a location 9 miles away. They plugged this phone into the USB socket in question, and there was a message of 'warning charging slowly or not charging, use recommended charger'. The engineer was able to charge the phone with no problem through other inputs.

Based on this, the engineer said *"we think there might be an issue with the actual USB slot itself with a poor connection, we cannot confirm this 100% but this is our suspicion. This will need rechecking by a dealer."*

Upon road testing the car, the engineer found no issue with the DAB radio until the car was driven to a *"quite rural"* location requested by Mr D, when the reception started dropping in and out. The engineer said *"this only happened for about a mile stretch of road and we suspect what is happening is that when the signal strength drops slightly, inside the car it is picking up interference through the charging system for the phone somewhere which may be corrupting the signal [strength] and dropping out ... this does not seem to be related to [the] lead or socket."*

In conclusion, the engineer said *"we can confirm the customers concern with the DAB is present but whether or not this is model specific [or] the results of other issues the DAB systems are to some degree more sensitive than other more reliable radial systems ... [the*

*car] should be returned to the main dealer for reassessment especially the connection in the USB slots under the arm rest ... the fault regarding the DAB was occurring 2-3 months after purchase. We would determine this is an unresolved issue since just after purchase."*

Finally, after providing some further information on DAB radios and signal issues, the engineer said *"at this stage these conditions appear electrical concerns [so we're] unable to confirm the condition was present at the point of sale ... from the customer statement it does appear to be an ongoing issue and further attention will need to be completed by the repairing agent ... at this stage it is unclear whether an electrical physical defect is present [or] whether the condition is software related ... we would not consider the issues under review to be considered as durability defects as we would normally expect them to have a major impact on vehicle usage, the vehicle has covered some considerable mileage and this does not appear to be the case."*

By the time this report had been completed, Mr D had already brought the matter to the Financial Ombudsman Service for investigation. Santander had also said the car was of a satisfactory quality when it was supplied to Mr D, but they paid him £100 compensation for misadvising him about rejecting the car.

Our investigator said that, while there were clearly issues with the car, this didn't make the car of an unsatisfactory quality – by his own admission Mr D had said that he uses the USB port to power multiple devices at once, which would impact the functionality and charging, especially as the power provided to a USB socket on a car would be less than an equivalent socket on a domestic electricity supply. And the investigator didn't think the independent engineer had concluded there was a fault with the USB socket, and this was performing as a reasonable person would expect.

The investigator also didn't think there was an issue with the DAB radio, only that it lost signal in certain areas where the signal was impacted by the landscape and the distance from the broadcast tower. Finally, the investigator said that there was nothing to show that the blown fuse on the 12v socket resulted from any attempted repair. So, they didn't think Santander needed to do anything more.

Mr D didn't agree with the investigator's opinion, providing comments as to why. These included, but are not limited to:

- the fuses only started to blow after an attempted repair;
- the issues occur regardless of what connecting wires and/or devices are used, and they all result in DAB signal loss;
- he believes that the independent engineer had found issues with the USB port, which he has never used to power devices; and
- he had requested rejection based on three previous failed repairs.

I issued a provisional decision on 8 October 2025, where I explained my intention to uphold the complaint. In that decision I said:

*If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. 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.*

*In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr D was supplied with a car under a*

conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Santander are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Santander can show otherwise. So, if I thought the car was faulty when Mr D took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Santander to put this right.

I've seen a copy of the independent engineer's report, dated 12 November 2024. The key findings of this report are detailed above, so I won't repeat them here. However, I have noted that the engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

Based on the evidence I've seen I'm satisfied that Mr D first took the car in for repair in November 2023, around three months after it was first supplied to him. And the car has been in for repair on at least three occasions, with cables, the USB port, DAB amplifier, and IHU unit being replaced under warranty. Despite this, the independent engineer's report confirms there are still faults with the car.

While I appreciate that the engineer said they can't confirm that the faults were present at the point of supply (and, by virtue of this, they also can't confirm that they weren't), and Santander have said Mr D wouldn't have settled the finance on a car that was experiencing faults; the evidence shows the faults were present within six months of supply. Santander have also said that some of the issues were caused by Mr D using a third-party lead, but I haven't seen any evidence of this, and it's certainly not something the independent engineer has concluded.

I'm also satisfied that the faults with the car made it not of a satisfactory quality – I don't think it's reasonable for someone financing a car of the age and mileage Mr D did to experience ongoing faults that seemingly are unable to be rectified.

Section 24(5) of the CRA says "a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract." This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it's not a single chance of repair for the dealership AND a single chance of repair for Santander – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

The CRA is also clear that, if the single chance at repair fails, as was the case here, then Mr D has the right of rejection. While it's the case the engineer recommended the car "should be referred back to the main dealer for reassessment", and that the CRA allows Mr D to accept further repairs instead of rejection; Mr D has made it clear that he doesn't accept further repair and he wants to reject the car.

What's more, Section 23(2)(a) of the CRA states "If the consumer requires the trader to repair or replace the goods, the trader must do so within a reasonable time and without significant inconvenience to the consumer." Given the amount of time that's passed since the first repair attempt, and that Mr D has had to make multiple trips of hundreds of miles to take the car to, and collect the car from, failed repair attempts, it's arguable Santander have also failed to comply with Section 23(2)(a) of the CRA. And, in these circumstances, Mr D should be able to reject the car.

Given this, I'm satisfied that Mr D should now be allowed to reject the car, with Santander refunding the deposit Mr D paid. As Mr D repaid the finance around a month after the car was supplied to him, I would also expect Santander to refund the amount Mr D paid to clear the finance. But Mr D was able to use the car while it was in his possession, and while it was being repaired he was also provided with a courtesy car to keep him mobile. Because of this, I think it's only fair that he pays for this usage.

There's no set formula for calculating fair usage, and I need to consider factors such as the age of the car, and the mileage it's travelled. As things stand, the latest mileage figure available is from the MOT record dated 9 May 25. At this point the car had done 57,918 miles – 40,481 miles since the MOT that took place a few days before the car was supplied to Mr D. And this mileage will have increased in the months since that MOT took place.

The agreement Mr D signed with Santander doesn't have any mileage limits imposed, nor any penalty for exceeding this mileage. Despite this, as Mr D put down such a large deposit and has already had the car for longer than the original term, in this situation I consider charging Mr D an amount per mile is the fairest way of charging fair usage. As part of the investigation into this matter, Mr D proposed to Santander they charge him 25p a mile, less 1,864 miles for his trips to the dealerships and the amount of miles covered in test drives.

While I agree that 25p a mile is fair, and fairly standard for excess mileage charges, I don't agree that any miles should be deducted. I say this because the fair usage is designed to cover the loss of value of the car based on factors such as the mileage, and this mileage has been done regardless of why, or who was driving at the time.

However, I think Mr D should also be compensated for the distress and inconvenience he was caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

Having considered everything, I intend to ask Santander to pay Mr D £300 to recognise this distress and inconvenience. I think this is fair and falls in line with our service's approach. I think this is significant enough to recognise the inconvenience Mr D would've suffered by having to arrange for the car to be repaired on multiple occasions, and by these repairs being unsuccessful. And I think it also fairly reflects the fact that Mr D was further inconvenienced by having to travel some distance to the dealerships on multiple occasions.

Therefore, I intend to ask Santander to:

- collect the car at no collection cost to Mr D;
- remove any adverse entries relating to this agreement from Mr D's credit file;
- refund the deposit and payments Mr D has paid (if any part of the deposit is made up of funds paid through a dealer contribution, Santander is entitled to retain that proportion of the deposit);

- deduct from this refund £0.25 a mile based on the mileage on the car on the day it's collected less the 17,437 miles showing on the MOT record for 15 August 2023;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr D made the payment to the date of the refund<sup>†</sup>; and
- pay Mr D an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Santander must pay this compensation within 28 days of the date on which we tell them Mr D accepts my final decision. If they pay later than this date, Santander must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires Santander to take off tax from this interest, Santander must give Mr D a certificate showing how much tax they've taken off if he asks for one.

## Responses

Santander acknowledged receipt of my provisional decision, and said they had nothing further to add.

Mr D said that he only financed the car to qualify for the free servicing, breakdown cover, and MOT that was being offered; and that his repayment of the finance had nothing to do with him being satisfied with the quality of the car – it was always his intention to repay the finance shortly after taking the car.

Mr D also said that he sold the car in May 2025 due to the issues he was experiencing, and that the person who purchased the car deducted £1,000 from the sale price as a result of this. He provided an email from the purchaser explaining they would only pay £17,000 for the car, rather than the requested £18,000, due to the issues with the infotainment system.

As Mr D could no longer return the car to Santander, he proposed that they resolve the complaint by paying him:

- the £300 compensation I recommended in my provisional decision;
- £1,000 to compensate him for the loss of sale value due to the issues with the infotainment system,
- £559.20 to compensate him for four 10-hour round trips to the dealership that he had to make; and
- £500 for the refund of the deposit he paid.

With interest, Mr R had calculated this to be £2,926.12.

## 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.

As neither party have objected to the basic principles of my provisional decision - that Mr D was provided with a car that wasn't of a satisfactory quality and, as it hasn't been able to be repaired, Santander need to do something to put things right – I'm satisfied that I don't need to give any further consideration to the merits of this issue. But, as Mr D has now sold the car, my proposal of rejection is no longer able to be carried out.

I therefore need to reconsider what I think is a fair and reasonable remedy which, as far as is possible, will put Mr D back in the situation he would've been in had rejection been possible.

As Mr D sold the car in May 2025, and public records show that a new V5C was issued in early June 2025, given the lack of any other evidence I'm taking the mileage at sale to be the same as the mileage on the MOT record for 9 May 2025 – 57,918 miles.

The cash price of the car when it was supplied to Mr D was £26,500. In line with our service's approach, I've considered the value of the car on 9 May 2025 by using industry standard and recognised trade guides. And this value is £16,135. For clarity, this is the trade value as Mr D sold the car to a motor dealer. But it's also the case that, if Santander had taken back the car and sold it, they would also have received the trade value. As such, I'm satisfied the trade value is the fair value to use in these circumstances.

As Mr D received £17,000 for the car, I'm satisfied that he received around £1,000 more than its trade value, not £1,000 less. So, I don't think it would be fair to ask Santander to pay Mr D £1,000 for any loss of value when the car was sold.

It's also the case that, in selling the car (without any outstanding finance), Mr D received and retained the full sale value. When I said Santander should take back the car, I asked them to refund the deposit as they would benefit from the sale value of the car, not Mr D. As this is no longer the case, I won't be asking Santander to refund the deposit as Mr D will, by virtue of Santander doing this, benefit twice. And this isn't fair or reasonable.

Mr D has said he travelled 559.2 miles to and from the dealership. And he thinks Santander should reimburse him £0.25 a mile for this. This would be £139.80, not the £559.20 Mr D has calculated – while Mr D has said this also covers his time, as I explained in my provisional decision, I've accounted for this within the £300 compensation I said I intended to ask Santander to pay.

I originally said Santander didn't need to reimburse Mr D for this mileage, as they would be selling the car and therefore taking the financial hit of this extra mileage. However, as Mr D has sold the car, then Santander should refund him £139.80 towards the mileage, as well as paying him the £300 compensation.

I advised both Mr D and Santander of my intention to change my recommended remedy and asked them to provide any comments they may have on this.

Mr D said that he sold the car because he'd already unsuccessfully tried to reject it and the warranty was about to expire. He also said that, when he sold the car, he was told it was valued at £17,000 due to the current issues. So, he thought it was fair that he was paid the £1,000 he'd lost on the sales value, or Santander should at least *"split the difference"* and pay him £500.

Mr D said that the visits to the dealership actually totalled 2,364.8 miles, plus a 50-mile road test, which at £0.25 a mile is £603.70. He also said that he had to pay £108.66 for a hire car and that interest should be calculated on all awards from 31 August 2023.

Santander accepted my proposed outcome.

Based on the reasons I've already given, I'm not satisfied that Mr D lost £1,000 on the trade value of the car. While the buyer may have said they were prepared to pay more in different circumstances, this doesn't mean that in those circumstances they would've done – it was in the buyer's best interest to pay as little as possible for the car, and 'we may have paid more if ...' could've just been a negotiating tactic. As Mr D was paid more than the trade value of the car at the time, by a motor trader, I won't be asking Santander to refund anything for 'lost value'.

Turning now to the mileage, and the revised figures Mr D has provided. When considering these, I also need to consider that Santander had the right of repair and that, after the first repair, Mr D agreed to further repair attempts to take place before he eventually asked to reject the car. As such, it is reasonable to expect that some mileage will be incurred as a result of this.

In his latest comments, Mr D has confirmed that he asked to reject the car in September 2024. So, it would be reasonable for me to assume he's agreed to any repair attempts prior to this, knowing that it would result in mileage being added to the car. And I also need to consider that, despite the mileage, Mr D actually received around £1,000 more than the trade value of the car upon sale.

It's not my intention to forensically investigate Mr D's mileage and determine what was and wasn't necessary or reasonable in the circumstances. As such, I think the £139.80 I'd previously recommended is generally fair, and I won't be asking Santander to increase this.

Mr D has provided a hire car invoice for the period 12 to 19 November 2024, which he says was for when the car was being independently inspected. While the independent inspection took place on 12 November 2024, there is nothing on this report to indicate the inspection took more than a few hours. What's more, the report was typed up and sent to Santander on 15 November 2024 – four days before Mr D returned the hire car.

While I appreciate Mr D's comments that he chose to hire a car rather than lose a day at work while the inspection was taking place, I don't consider that it was necessary for him to rent a hire car for a whole week. The hire invoice shows the daily rate was £15.58 plus VAT (£18.70) and that Mr D received a 30% discount on this price, taking the hire cost for 12 November 2024 down to £13.09. Given the small amount, I won't be asking Santander to make a separate payment for this, and I'm satisfied the compensation they are already paying covers this amount.

Finally, Mr D has said that Santander should calculate the interest from 13 August 2023. However, my provisional decision only recommended interest was paid on the deposit refund and, for the reasons given, this is no longer something Santander need to pay. As such, there is no longer any interest element to the award.

### **Putting things right**

Therefore, for the reasons stated in my provisional decision and above, Santander should:

- pay Mr D £139.80 towards the additional mileage he needed to do as a result of the problems with the car; and
- pay Mr D an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Santander must pay this compensation within 28 days of the date on which we tell them Mr D accepts my final decision. If they pay later than this date, Santander must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires Santander to take off tax from this interest, they must give Mr D a certificate showing how much tax they've taken off if he asks for one.

**My final decision**

For the reasons explained, I uphold Mr D's complaint about Santander Consumer (UK) Plc trading as Volvo Car Finance. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 December 2025.

Andrew Burford  
**Ombudsman**