

## The complaint

Mr S believes that a conditional sale agreement with Santander Consumer (UK) Plc trading as Santander Consumer Finance (Santander) was mis-sold to him.

## What happened

In November 2022, Mr S acquired a used vehicle through a conditional sale agreement with Santander. Its cash price was £60,000 and he paid an advance payment of £6,000. The amount of credit was for £54,000 and the duration of the agreement was 49 months; with 48 monthly payments of £528.29 and a final payment of £43,929.11.

In August 2024, Mr S complained to Santander that the wrong vehicle model was noted on the agreement. Santander didn't respond to Mr S within eight weeks, so he referred his complaint to this service.

Following Mr S' referral to this service, Santander issued a final response letter upholding Mr S' complaint. They agreed there was a discrepancy regarding the vehicle model within the agreement and offered £100 compensation. However, they said the figures within the agreement are correct for the make and model of the vehicle supplied to Mr S.

Our Investigator reviewed matters and thought Santander's offer was fair. They said although the finance agreement noted the wrong vehicle model, Mr S was aware what vehicle he was acquiring, the price of it and the payments to be made under the agreement – which he agreed to by signing it.

Mr S didn't agree. In summary, he said:

- There is a significant difference between the two vehicle models so doesn't consider this to be a minor technical error.
- The misrepresentation undermines the integrity of the agreement, particularly regarding the Guaranteed Future Value (GFV).
- There are potential future financial implications when the agreement ends because of the vehicle description and its actual valuation.
- £100 doesn't fairly reflect the emotional distress and uncertainty this matter has caused.

As no agreement was reached, the matter was passed to me to decide.

I sent both parties an email setting out my intention to find that Santander's offer is fair. In summary, I explained the cash price, amount of credit and total amount payable set out within the agreement is correct based on the value of the vehicle Mr S acquired. And Mr S' payments towards the agreement add up to the total amount payable, so he isn't paying more for the vehicle than he should be. Additionally, he is able to return the car at the end of the agreement with nothing further to pay. And the Sales Agency Agreement guarantees that he will not be held liable for the shortfall between the GFV and actual value of the car at the end of the agreement.

Mr S didn't agree and provided further submissions for my consideration. In summary, he said:

- Santander told him he would need to pay a figure significantly above the vehicle's current value to end the agreement early. He believes this to be due to the GFV being overstated based on a vehicle he never acquired, which is preventing him from ending the agreement fairly.
- The description of the goods is a fundamental component of the agreement and materially affects the valuation of the asset and his ability to exercise contractual options fairly - so the agreement shouldn't be upheld.

### **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.

I think it's important to firstly 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. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and 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.

In considering this complaint I've taken into account 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.

It's unclear from the evidence available what happened to cause the wrong vehicle model to be quoted within Mr S' finance agreement. But I'm satisfied a clerical error occurred and Santander have taken responsibility for the error, so I don't need to decide that aspect – I just need to consider whether their offer to put things right is fair.

It's important to note that while I acknowledge Mr S' comments regarding the integrity of the agreement, it's not my role to say whether an agreement is enforceable or not, as this would be a matter for the court. If Mr S is seeking a ruling on the enforceability of the agreement, he may wish to seek independent legal advice. What I'm looking at here is if it's fair and reasonable for Santander to hold Mr S to the terms agreed.

The documentation provided at the point of sale confirms the agreement is a flexible form of loan where some of the cost is deferred until the end of the agreement in order to provide Mr S with the benefit of lower monthly payments. At the end of the agreement, he has three options:

- Retain the vehicle by paying the optional final payment - also referred to as the GFV;
- Return the vehicle with nothing more to pay – excluding any costs for damage or excess mileage; or
- Renew the vehicle.

Having reviewed the agreement, the cash price, amount of credit and total amount payable is correct based on the value of the vehicle Mr S acquired. The amounts payable under the agreement, including the monthly payments and the final payment, add up to the total amount payable. So, if Mr S were to retain the vehicle, he wouldn't be paying more than the amount of credit plus interest over the duration of the agreement.

Ultimately, Mr S is paying monthly what he agreed to, and the optional final payment (GFV) to retain the vehicle at the end of the agreement is also what he agreed to. It's worth noting that had the final payment been a lower figure, he would've needed to pay more monthly to ensure the total amount payable was met before the end of the agreement duration.

Mr S has the option to return the vehicle at the end of the agreement. If he chooses to do so, the Sales Agency Agreement confirms a "Guaranteed Price" of £43,929.11 and the terms and conditions say:

*6. (a) Subject as provided below, if the price realised on sale of the goods (after our costs and expenses of sale) is less than the Guaranteed Price we shall make good the deficiency. If we fail to sell the Goods within the 90 day period mentioned in clause 2 above we shall nevertheless pay you an amount equal to the Guaranteed Price. Provided always that our obligation to make good the deficiency or pay you an amount equal to the Guaranteed Price, as the case may be, is conditional on your returning the Goods to us pursuant to clause 3 above within 90 days of the Option Date. If we have failed to sell the Goods within the 90 day period mentioned in clause 2 and have paid you an amount equal to the Guaranteed Price we shall be entitled to retain out of the price realised on eventual sale of the Goods a sum equal to the aggregate of the Guaranteed Price, our agency commission and our costs and expenses of sale.*

Based on the above, I'm satisfied the wrong vehicle description hasn't resulted in Mr S paying more than he should under the agreement for the vehicle he acquired. And he won't be liable for paying a significant shortfall between the GFV and actual value if he chooses to return it at the end of the agreement term.

I've considered Mr S' comments regarding ending the agreement early and acknowledge if he wishes to end it now, there will be a significant shortfall to pay. But I don't find it unreasonable for Santander to ask Mr S to pay this. Mr S was aware of the total amount payable to settle the agreement in full, and how much of this his monthly repayments would cover, when he entered into it.

Mr S also has the right to voluntary terminate the agreement at any time throughout the agreement term, once half the total amount payable has been paid. The Consumer Credit Act 1974 sets out the right of voluntary termination, and the amount due under termination. This is also set out within Mr S' agreement, which says:

***"TERMINATION: YOUR RIGHTS***

*You have a right to end this agreement. To do so, you should write to the person you make your payments to. They will then be entitled to the return of the goods and to half the total amount payable under this agreement, that is £37,643.52. If you have already paid at least this amount plus any overdue instalments and have taken reasonable care of the goods, you will not have to pay any more...."*

I'm therefore satisfied it was made clear to Mr S what he would need to pay to voluntary terminate the agreement, and he agreed to this - along with the advance payment, monthly payment and optional final payment amounts to repay the loan, when he was supplied with the vehicle.

If Mr S still wishes to end the agreement early, he should contact Santander to discuss his options. In the event of financial difficulty, Santander should treat Mr S with due consideration and forbearance when it comes to the repayment of the outstanding balance.

Santander offered Mr S £100 for the distress and inconvenience caused by the clerical error, and based on what I've seen I think this is reasonable. As this service is not the regulator, I

cannot fine or punish Santander for the mistake it made. But I can consider the impact the error caused Mr S and this is what I've thought about.

I don't dispute the confusion caused and uncertainty regarding any potential financial impact of the error. But as I've explained, I'm satisfied the error didn't result in Mr S paying more than he should've for the goods he was supplied, and the agreement terms and amounts payable were clearly set out within the agreement – which Mr S agreed to. So, I'm satisfied £100 fairly reflects the impact caused by the error.

I know this will come as a disappointment to Mr S, but for the reasons I've explained, I don't think Santander need to do anything more.

### **My final decision**

For the reasons set out above, my decision is that I uphold Mr S' complaint about Santander Consumer (UK) Plc trading as Santander Consumer Finance and direct them to pay him £100 compensation, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 December 2025.

Nicola Bastin  
**Ombudsman**