

The complaint

Mr C complains about the quality of a car he acquired under a hire agreement with Santander Consumer (UK) Plc trading as Santander Consumer Contract Hire (Santander).

When I refer to what Mr C and Santander have said and/or done, it should also be taken to include things said and/or done on their behalf.

What happened

In March 2021, Mr C entered into a hire agreement with Santander to acquire a brand-new car. There was one advance payment of £1,030.03 followed by 47 monthly hire payments of £343.34.

Mr C said, before his hire agreement ended, the car had a catastrophic engine failure for the second time. He contacted Santander to update them and took the car back to the dealer. Mr C said this was the second time the car had this failure (head gasket), from new, within four years. The car also had two recalls and two further issues requiring recovery and garage works. The dealer said that the works would not be covered under warranty. As such, Mr C said he raised a complaint with Santander. Mr C said the car has not been in his possession since 18 February 2025 but he said he is still getting invoices, credit default notices, all the while having no response from Santander on his complaint which he made 8 May 2025.

On 3 June 2025, Santander wrote to Mr C. In this correspondence they said, they were sorry for the delay while they continued to look into his complaint. Although they have made some progress, they said they were unable to give him a comprehensive response. They said, as they are unable to issue a final response within eight weeks, Mr C could refer his complaint to our service, the Financial Ombudsman Service (Financial Ombudsman).

As Mr C remained unhappy, he referred his complaint to us.

Our investigator considered Mr C's complaint and was of the opinion that there was not enough evidence to say that the car was of unsatisfactory quality.

Mr C did not agree, so the complaint has been passed to me to decide.

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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered

good industry practice at the relevant time. Mr C acquired the car under a hire agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. Santander is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint briefly, in less detail than has been provided, and largely in my own words. No courtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. However, I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I can only consider the actions/inactions of Santander and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the supplying dealership, which Mr C said he is unhappy about. So, in this decision I have focused only on the aspects I can look into. Also, I am only looking at the events that have been raised by Mr C with Santander in May 2025, the ones they had an opportunity to address up to when they sent the correspondence to Mr C on 3 June 2025.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr C entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car, and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr C's case the car was almost brand new. Given that the car was almost new and considering the price paid, I think it is fair to say that a reasonable person would expect it to be of a higher quality than a cheaper and/or previously used car. I think it would also be reasonable to expect the car to last a considerable period of time before any problems occurred, and that it would be free from even minor defects shortly after it was acquired.

First, I considered if there were faults with the car.

Mr C has indicated that in April 2023 the car had a catastrophic oil leak. He said it took a number of months for this to be fixed but, luckily, the car was under warranty. He said the car had a second oil leak and engine fault light illuminated in March 2024, once again rectified under the warranty. Mr C said that further faults and two recalls later, the car was fine until in February 2025. This was one month before the expiry of the hire agreement when the car had another catastrophic oil leak. Mr C had the car recovered to a local main dealer for inspection. He said that he has been advised that the car requires approximately £8,000 of work which is not covered under warranty.

Having seen all the evidence provided, even if I was able to conclude that the car was faulty, at this moment in time, I cannot say that I have seen enough to be able to say that those faults, most likely, would render the car of unsatisfactory quality. Let me explain below.

First, I have not seen enough evidence to even say that, on balance, the issues Mr C experienced with the car on prior occasions, and which he has mentioned, are exactly the same ones, or linked to, the ones the car is experiencing now.

I do understand that the car is, most likely, faulty based on some of the email exchanges that I have seen. However, just because a car is faulty does not automatically mean that it was of unsatisfactory quality when it was supplied. And, regardless of whether these latest faults can be considered the same or different - I still have not seen enough to be able to say that any of the issues Mr C has mentioned would, most likely, render the car of unsatisfactory quality based on the mileage, age, and price of the car. I say this because the current evidence available does not give sufficient detail. There is not enough information provided as to the cause and specificity of the issues. And there is no independent report, nor any mechanical report for that matter, or any invoices/ job sheets/ cards, from any garages.

While I sympathise with Mr C for the difficulties that he is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that, most likely, Santander should be required to take any further action regarding this case at this moment in time.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 January 2026.

Mike Kozbial
Ombudsman