

The complaint

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

What happened

In October 2024, Mr V was supplied with a used car through a conditional sale agreement with Santander. He paid an advance payment of £1,000 and the agreement was for £10,600 over 50 months; with monthly payments of £271.45. At the time of supply, the car was around five and a half years old and had done 49,921 miles (according to the MOT record for 23 September 2024).

Shortly after collecting the car, Mr V started experiencing issues, especially with noises from the clutch. The supplying dealership attempted repairs in October 2024, January 2025, and March 2025. But the problems continued, so he complained to Santander.

Santander arranged for the car to be inspected by an independent engineer, and this inspection took place on 27 May 2025 when the car had done 57,394 miles – 7,473 miles since being supplied to Mr V. The engineer confirmed that repair attempts had been carried out on 2 November 2024 and 19 February 2025, but no faults could be found. However, the engineer found a stored fault code relating to the clutch.

Following a test drive, the engineer confirmed there was a judder when pulling away in first gear, which would need investigation and repair. And, due to when Mr V reported the issues, the engineer concluded this issue with the car would've been present when it was supplied. So, the supplying dealership / Santander were liable for this.

Based on this report, Santander upheld the complaint, offering to repair the car and pay Mr V £300 compensation. Mr V wasn't happy with this response, as he had no confidence the car could be satisfactorily repaired. So, he brought his complaint to the Financial Ombudsman Service for investigation.

Our investigator was satisfied there was a fault with the car for which Santander were liable. However, they thought that, given the circumstances, Mr V should now be allowed to reject the car, with a refund of the deposit and 10% of the payments he'd made, alongside the £300 compensation Santander had offered.

While Mr V agreed with this, Santander didn't. They said that Mr V had been supplied with a five-year-old car that had done 50,000 miles, so age and mileage related issues were to be expected. They said the concerns with the clutch weren't covered by the warranty, and they had offered to strip it down, at no cost to Mr V, in an attempt to identify the issue.

Because Santander didn't agree, this matter 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. 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 V 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 V 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 27 May 2025. 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.

The independent engineer found there was a fault with the car that needed investigation and repair. They also found that this was present or developing at the point of supply. Given this, as I've said above, Santander need to do something to put things right.

Putting things right

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 clear that, if the single chance at repair fails, Mr V has the right of rejection.

Although they weren't able to replicate the fault and didn't strip down the clutch as this wasn't covered by the warranty, the supplying dealership have attempted to repair the car on multiple occasions. As such, I'm satisfied that the single chance of repair has taken place. Further repair is only allowable if Mr V accepts this, which he doesn't. As such, I'm satisfied that Mr V should be allowed to reject the car with a refund of the deposit he paid.

Mr V has been 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.

However, given the issues with the car, I'm also satisfied that Mr V's usage and enjoyment of the car has been impaired. Because of this, I also think it's fair that Santander refund some of the payments Mr V made. And I think 10% of the payments made fairly reflects the impaired use caused by the car not being of a satisfactory quality.

Finally, I think Mr V should be compensated for the distress and inconvenience he's been 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.

Mr V has explained the impact this has had on family members – they are reliant upon Mr V for transport, and, without use of a reliable car, they have been caused considerable inconvenience, additional cost, and ongoing stress. While I appreciate this impact, as Mr V is the sole customer of Santander, I'm only able to consider the direct impact on him, and not any indirect impact this has had on other people.

Santander originally offered to pay Mr V £300 to recognise the distress and inconvenience he's been caused, and this amount was endorsed by our investigator. Having considered this, I think it's a fair offer that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, this is a payment I'm directing Santander to make

Therefore, Santander should:

- end the agreement, ensuring Mr V is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the car at no collection cost to Mr V;
- remove any adverse entries relating to this agreement from Mr V's credit file;
- refund the deposit Mr V paid (if any part of this deposit is made up of funds paid through a dealer contribution, Santander is entitled to retain that proportion of the deposit);
- refund 10% of the payments Mr V has paid;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr V made the payment to the date of the refund[†]; and
- pay Mr V 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 V 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[†]).

[†]If HM Revenue & Customs requires Santander to take off tax from this interest, Santander must give Mr V 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 V's complaint about Santander Consumer (UK) Plc trading as Santander Consumer Finance. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 8 January 2026.

Andrew Burford
Ombudsman