

## The complaint

Mr G complains that Santander Consumer (UK) Plc rejected his request for a refund in respect of the purchase of an over valued asset.

## What happened

In October 2021 Mr G acquired a static caravan from a site operator at a cost of £63,000 funded in part by a conditional sale agreement provided by Santander. Some three years later he had to sell it due to financial constraints and the only means available was to sell it to a trader from whom he received £16,500.

Mr G complained to Santander but this was rejected so he brought the matter to this service. He said that the caravan's true value was some £30,000 and the sale price had been inflated in part due to commission paid to Santander. He said Santander had failed to disclose the commission of £800 it had received, but he later said he does not wish to pursue this aspect of his complaint. It had also failed to verify the true value of the asset. He believed it had not been diligent in addressing his complaint. He also told our investigator that the site operator had told him the caravan would retain its value.

The site operator said it had no understanding of how Mr G had concluded the true value was £30,000. It said the retail price was different to the wholesale price and the former would reflect the setting and additional costs such as transport. It said the price reflected the market value at the time for a premium park with a pitch licence until 2037. It also explained that it believed that had the caravan been sold privately with the caravan in situ he would have realised a greater sum.

Our investigator didn't recommend the complaint be upheld. She noted links Mr G had sent with comparable values of caravans, but she was satisfied that Mr G had been made aware of the price and he had chosen to pay this sum. She noted caravans are depreciating assets and selling it off park to a trader would have resulted in him getting a lower figure. Overall, she could see nothing to show that the caravan had been sold to Mr G at an inflated price or that Santander had done anything wrong.

Mr G didn't agree and sought further information. He said the value included bundling it to bring in the site location. He thought the stand-alone value was closer to £30,000. He thought the loan had funded the site operator's profits under a location/pitch-licence label. He also argued that the loan was for goods only and so no account should have been taken of any other aspect of the sale. He also referenced VAT law and said it should have been charged at 12.5% on the pitch licence etc. His invoice showed no VAT and so it was only for the tangible goods.

Our investigator obtained confirmation from the bank that the purchase price did not include the pitch licence or annual fees. Mr G provided a copy of the Licence Agreement of a Holiday Home Pitch lasting 16 years three months and costing £7,152 for 2022. He also supplied a copy of the invoice which was broken down into the caravan and removeable content the latter shown at 13,243. He also let us know what the content included.

## **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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr G and Santander that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them. Nor are we court of law and given the legal arguments Mr G has raised he may wish to pursue these by a different avenue. I would add that my powers only extend to a regulated body which in this case is Santander and not the site operator.

Having considered all the evidence and arguments put forward by both parties I have concluded that I cannot uphold this complaint. I will explain why.

Mr G sought to buy a caravan in a specific park and he was given the price for this. He decided that was acceptable. I presume he carried out his own due diligence, but have not seen any details to confirm that. He did not have sufficient funds available and so he sought a loan from Santander. It was willing to lend him the money and the purchase went ahead.

Santander was happy with the risk and accepted the valuation. Having looked at current valuations of caravans in the same site I do not believe there would have been grounds to challenge the sum put forward by the site operator. However, a caravan is a depreciating asset and I am aware that one can lose a very significant percentage of its value in the first three years. On top of that Mr G had to make what appears to be a forced sale. This means he had to accept what seems to be a very low offer.

While Santander was responsible for being satisfied with the nature and value of the asset it did not guarantee it would retain its value. Nor is it responsible if the asset depreciated faster than expected. It didn't have to carry out a detailed valuation and it was happy to accept the price Mr G was willing to pay. As I said above I have seen nothing which persuades me the sale price was obviously overvalued.

This sale is similar, but not identical, to the sale of a car. A car, especially an expensive one will depreciate significantly in the first few years, but banks will lend against the new value even though the car's value will soon be less than the loan sum. Mr G bought the caravan and it suffered significant depreciation which was accelerated by the means by which it as sold.

Mr G has suggested that the value included the site, location and pitch licence. I don't believe it did. Those are separate, albeit connected items. What his acquisition of the caravan allowed him was the opportunity to have it sited in the park. Having the caravan was a prerequisite to having it located in the park and I believe that will have contributed to its value. The invoice shows that the £4,000 siting fee plus siting connection costs plus a welcome pack were waived. The siting sheet identifies that included in the price were:

- A pre-delivery inspection
- Siting of your holiday home
- Connection of your holiday home
- Gas test
- Electric test
- TV connection (not Sky)
- Internal Clean
- External Clean

The purchase of the caravan allowed Mr G to access rights of occupation on the site and use of its facilities for which he would have to pay an annual charge.

However, I fear that the level of detail supplied by the parties in this matter does somewhat tend to obscure the fundamental point. Mr G was made aware he was buying a caravan at a site he desired and as a result he acquired a licence for 16 years and three months. He was satisfied with the price and Santander had no reason to consider it unreasonable. It was regrettable that Mr G had, what was in effect, a forced sale which caused him a significant loss. As far as I am aware Santander did not contribute to him having to sell at a loss.

I cannot safely conclude that Santander has done anything materially wrong, including the handling of his complaint. I would also add that any concerns Mr G has about the site operator's handling of VAT is not one for this service. Finally, I have not addressed the issue of commission since Mr G agreed that was not a matter he wished to pursue and Santander did not have a chance to address it.

I have every sympathy with Mr G but I do not consider I can uphold his complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 April 2026.

Ivor Graham  
**Ombudsman**