

The complaint

Miss D complains about the quality of a car supplied to her by Santander Consumer (UK) Plc (“Santander”).

What happened

Miss D entered into a conditional sale agreement with Santander in February 2023 for the supply of a used car. The car was around nine years old and had covered around 69,000 miles when supplied.

She first had problems with the car in July 2023 and raised a complaint to Santander. She told them the engine management light (EML) kept coming on, there was a bad smell and the car shook, it was also juddering and the traction control light was coming on.

An independent engineer’s report was instructed, and they said there were some issues present or developing when the car was supplied. Some repairs were carried out including an aux battery replacement and a replacement accelerator pedal.

The car then worked ok for a period of time, but Miss D has told us that she started having problems again around June 2024. She tried to resolve these with the supplying dealership but struggled to do so and eventually raised the issues with Santander again in November 2024. She said the EML was coming on a lot again, and the car would shake at higher speeds, saying it felt like the previous issues and seemed to be a problem with the accelerator pedal again.

An independent engineer was instructed again and saw the car in January 2025. They said they could see the previous fault codes again, and felt the repairs done previously had failed. Miss D complained to Santander at this point.

Santander answered her complaint in April 2025 with a final response letter (FRL) and didn’t uphold it. They said that they had asked to see records of her servicing the car but hadn’t had these, and the previous repairs had had a twelve-month warranty, and as it had now been 15 months since they were carried out, they didn’t feel they were liable.

Miss D brought her complaint to our service, and the first response was issued by an Investigator in August 2025, upholding the complaint. Santander accepted it but Miss D didn’t and gave her reasons why she felt she should get more redress.

The investigator agreed and issued an updated opinion with increased redress, which Santander also accepted. But Miss D felt she should still get more and wasn’t getting fair redress for 2024 when she said the car was not working properly. Unable to reach agreement, the case was passed for an Ombudsman final decision.

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, just with a couple of minor changes. 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. Miss 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. But, where a fault is identified after the first six months, the CRA implies that it's for Miss D to show it was present when the car was supplied.

So, if I thought the car was faulty when Miss 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.

The parties all seem to have accepted that the car was of unsatisfactory quality when supplied, so I won't spend a great deal of time here confirming that. It's clear there was a fault with the accelerator pedal/sensor within the first six months in 2023, which was repaired, but which has returned later in 2024/2025. I'm satisfied that on this basis, Miss D had given Santander their one chance to repair the car under the CRA, and once the fault re-appeared, she was entitled to reject the car.

Unfortunately, this didn't happen in early 2025 when she complained and asked to do this, which has led to further issues for her which I was sorry to hear about. Santander originally argued they needed to see her service history for the car, but I don't think this impacts on this specific issue, which was clearly present inside the first six months, and hasn't been repaired well enough so it's re-appeared.

When the case came to me for this decision, I reached out and had a long discussion with Miss D, explaining the recommendations by the Investigator and why the redress amounts were the amounts they were. She took some time to consider this but didn't agree with my view that the redress was fair and felt she couldn't agree, so asked that I reconsider and make a final formal decision.

Alongside this, I do think on reflection that there was a little bit of a lack of clarity, particularly around payments/refunds for 2025, so I've reached out to Santander to confirm a small change I felt should be made here, rather than issue a provisional decision. They haven't responded to me, but I'm satisfied I've given them a fair opportunity to tell me if they had any issues with this.

The final opinion given by the Investigator at our service was that Miss D should be able to reject the car, get her deposit back (I will discuss this further below), get a 44% refund of her monthly payments for November 2024 to July 2025, a full refund of payments for August 2025 onwards, and a £400 payment to recognise her distress and inconvenience.

With regards to her deposit, Miss D says that the figure shown on the agreement isn't the full amount she paid to the dealership, and the Investigator here explained that she appears to have potentially paid for some extras directly to the supplying dealership. As this is a complaint against the finance company, and these items were not financed by Santander, I can't make a finding that the dealership should refund her for them, but hopefully the supplying dealership/Santander will be able to ensure the right thing is done here. If not, Miss D retains the right to complain about the supplying dealership to the Motor Ombudsman about this specific issue of these payments for extras they appear to have taken.

I discussed with Miss D the 44% refund of payments for November 2024 to July 2025. I don't agree with the way the investigator came to this figure, but as Santander have accepted it, and I'm satisfied that it's more than fair, I won't change it. Miss D felt that she should get partial refunds for impaired use from considerably earlier than November 2024, but as I discussed with her, I don't have any clear evidence that there were issues with the car before this. In November 2024, the car passed its MOT, which wouldn't be able to happen if the engine management light was on.

Miss D told me that the garage carrying out the MOT turned the light off for her to enable the car to pass its MOT, but I have no verifiable proof of this, or verifiable proof of problems earlier than this, so I am not going to award her any further impaired use redress. The mileage records for the car also show she'd had fair usage.

When they accepted the final investigator opinion, Santander pointed out that Miss D hadn't made any monthly payments since January 2025, and hadn't made a payment in November 2024, so they'd only be refunding her 44% of her payments for December 2024 and January 2025.

I thought about this, and on the basis that the independent engineers report carried out in January 2025 was clear that the same faults had reoccurred, I feel this is the point at which Miss D should have been able to reject the car. So, I am satisfied that she should not have to make any more payments from 1 February 2025 onwards. I reached out to Santander to confirm this small difference. I didn't get the impression from their acceptance of the previous investigator opinion that they intended to chase for any payments from February 2025 onwards, but I think it's cleaner to make this a finding here so there is no doubts or confusion about this issue.

I am aware that Miss D had a small period of usage after this, where after getting some repairs done herself in Spring 2025, Miss D told me that the car worked, but only for three or four weeks. As such, I am satisfied that she has "paid" for her usage during this period by paying for the repairs she had carried out by a specialist dealer, so I don't think she should have to pay any more to Santander for this usage. Equally, I don't intend to ask Santander to refund her for the cost of these repairs on this basis.

I'm not clear who paid for the independent inspection report in January 2025, so would just ask Santander to refund this to Miss D if she paid for it and it hasn't been refunded.

Finally, Miss D didn't feel that £400 for the distress and inconvenience caused to her was enough. I empathise with how she's felt, but I'm not persuaded that the figure should be any higher. I must focus on the distress and inconvenience caused during the periods when I'm

satisfied the car was of unsatisfactory quality. Whilst I appreciate Miss D feels Santander should have done more during 2024, I haven't been persuaded that the problems were ongoing for all this period. Alongside this, Miss D isn't happy at Santander's complaint handling, but complaint handling isn't a regulated activity, so I can't make a finding about this as it isn't something our service has the authority to investigate and make findings about.

Its 2025 therefore where I am focused, as Santander really should have recognised that she had the right to reject the car in January 2025, but have not agreed this until our service has become involved. This has caused Miss D distress as she didn't know what to do, and inconvenience as she's described having to borrow cars, and eventually having to purchase a temporary replacement car in the summer of 2025 to get to work. I'm satisfied based on this distress and inconvenience that a figure of £400 fairly reflects this and is in line with how our service makes awards for this.

I'm persuaded that Santander supplied Miss D with a car which wasn't of satisfactory quality, and which had repairs which subsequently failed in 2024/5. As such, she is entitled to reject the car, and I'll lay out what Santander should do to put things right below.

Putting things right

I instruct Santander to carry out the following to put things right here:

- End the agreement with no further monthly payments for Miss D to pay.
- Collect the car at no cost to Miss D, recognising that it has likely been off the road for several months now and will likely not run, or have valid tax or an MOT.
- Refund the deposit Miss D paid for the car/agreement.
- Refund Miss D 44% of her monthly payments for the period 1 November 2024 to 31 January 2025 inclusive.
- Refund/write off all monthly payments from 1 February 2025 onwards.
- Refund Miss D for the cost of an independent engineer's report in January 2025 if she paid for this and it hasn't been refunded to this point.
- Pay 8% simple yearly interest on all refunded amounts above from the date of payment to the date of settlement.
- Remove any adverse information from Miss D's credit file in relation to this agreement.
- Pay Miss D a further amount of £400 to recognise the distress and inconvenience caused by the supply of a car which was not of satisfactory quality.

My final decision

I am upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 1 April 2026.

Paul Cronin
Ombudsman