

The complaint

Mrs M complains that a car that was supplied to her under a conditional sale agreement with Santander Consumer (UK) plc, trading as Santander Consumer Finance, wasn't of satisfactory quality.

What happened

I issued a provisional decision on this complaint last month in which I described what had happened as follows:

"A new car was supplied to Mrs M under a conditional sale agreement with Santander Consumer Finance that she electronically signed in March 2023. The price of the car was £32,077.19, Mrs M made an advance payment of £3,000 and she agreed to make 48 monthly payments of £432.91 and a final payment of £16,335 to Santander Consumer Finance.

Mrs M says that she reported an issue with the car in August 2024, it took two months to get an appointment, but no fault was found, and it took a further four months for the fault to be confirmed in February 2025. She complained to Santander Consumer Finance about the fault with the car in March 2025, but it said that it was unable to uphold her complaint as it hadn't received any evidence to indicate that the fault was present at the point of sale.

Mrs M wasn't satisfied with its response so referred her complaint to this service in April 2025 and the fault with the car was repaired, under warranty, later that month. Mrs M's complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Santander Consumer Finance had acted fairly. She thought that the car wasn't of satisfactory quality when it was supplied to Mrs M because it wasn't reasonably durable and that it was fair for Mrs M to be able to reject the car. She recommended that Santander Consumer Finance should: end the finance agreement and take the car back; refund Mrs M's deposit of £3,000, with interest; pay £200 for any distress or inconvenience that's been caused; and remove any adverse information from Mrs M's credit file in relation to the agreement.

Santander Consumer Finance hasn't accepted the investigator's recommendation and has asked for this complaint to be considered by an ombudsman. It says, in summary and amongst other things, that:

- Mrs M had the car in her possession for a year before any concerns were raised to it or the supplying dealer;*
- the car has never been serviced which constitutes a breach of its terms and conditions and invalidates the warranty;*
- the Consumer Rights Act 2015 grants the selling agent one opportunity to repair the car before a rejection can be enforced;*
- if the car had been taken back to the supplying dealer for inspection or repair, it would have actioned a rejection if the repairs had failed;*
- if the car is rejected, the supplying dealer is entitled to apply a usage*

deduction to account for the benefit that Mrs M has derived from the car and she's driven it for over 10,000 miles; and

- *Mrs M wasn't able to provide any proof that the faults occurred within the first six months.*

Mrs M says that the proposed compensation of £200 doesn't adequately reflect the stress, disruption, and time involved with this matter since September 2024, and that a higher level of compensation would better reflect the inconvenience and effort required".

Provisional decision

I set out my provisional findings in that provisional decision. I said:

"A new car was supplied to Mrs M in March 2023 and she says that she reported an issue with it in August 2024. The car was looked at by a manufacturer's dealer in October 2024. Its service invoice says:

"Carried out investigation on amber warning light on dash for 'Motor Fault' & vehicle is losing drive from one of the back wheels/feels like its juddering - When checked vehicle only had one warning light on and that was the tpms light so reset tyre pressure now all okay & also carried out various updates, customer to take vehicle and monitor".

The manufacturer's dealer also says that an outstanding recall was carried out which were software updates to the EVCC, FDR & BCM control units. It says that a booking was then made in January 2025 for diagnosis of a vehicle control system fault or motor failure fault. It says that the car was looked at on 5 February 2025 and it carried out diagnostics and found a fault with the motor resolver, so a replacement motor resolver was ordered, but the estimated time of arrival for the replacement wasn't specified.

It says that Mrs M returned the car to it on 6 March 2025 as she was experiencing loss of power. The resolver was replaced under the car's warranty and the manufacturer's dealer's service invoice dated 30 April 2025 says:

*"Carry out Diagnostic - Vehicle control system fault, motor failure fault
Carry out VDS check and found various errors in IMCU showing resolver
P1C50 fault also carried out. All software updates but error still coming up on
dash when road tested. New resolver recommended as next step. Replaced
resolver."*

A recall for the function optimization of the lane assist system was also carried out and the car was returned to Mrs M. The invoice records the car's mileage as being 10,184 miles.

Mrs M complained to Santander Consumer Finance about the issues with the car in March 2025, it responded to her complaint in April 2025 and the car was repaired later that month and returned to Mrs M. Santander Consumer Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mrs M. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mrs M was a new car with a price of £32,077.19 and I consider that it was reasonable for her to expect that it would be free from even minor defects.

I consider it to be clear from the evidence provided by the manufacturer's dealer that there have been faults with the car, including a fault with the motor resolver. Mrs M first contacted the manufacturer's dealer about faults with the car in August 2024, about 19 months after the car was supplied to her, and the fault with the motor resolver was diagnosed in February 2025, nearly two years after the car was supplied to Mrs M.

I don't consider that it's reasonable to expect a new car costing £32,077.19 to need to have its motor resolver replaced after less than two years and 10,184 miles of use. I consider that it's fair and reasonable to expect a new car to be more durable than that and I find that the faults with the car cause it not to have been of satisfactory quality when it was supplied to Mrs M.

Mrs M complained to Santander Consumer Finance about the issues with the car in March 2025 and it said in its response to her: "After a full review and investigation into the points you have raised, I am unable to uphold your complaint on this occasion. The reason for this is that we have not received any evidence from you to indicate that the fault was present at the point of sale". It says that it spoke to the supplying dealer who confirmed that it had had no contact with Mrs M since the car was supplied to her and it was unable to find any service history for the car. It says that without any supporting documents, including service history or details of who Mrs M had taken the car to, it wasn't able to uphold her complaint.

The car has been repaired and returned to Mrs M and I've seen no evidence to show that there have been any further issues with it. The manufacturer's dealer diagnosed a fault with the motor resolver on 5 February 2025, Mrs M complained to Santander Consumer Finance on 3 March 2025, it issued its final response to her on 1 April 2025 and the repaired car was returned to Mrs M later that month. I'm not persuaded that it would be fair or reasonable in these circumstances for Mrs M to be able to reject the car.

The investigator wasn't persuaded that the car was repaired within a reasonable time frame, so Mrs M should have been allowed to reject the car. Mrs M says that the car was off the road from March 2025, after becoming un-drivable, until late April 2025, when it was returned to her, the repairs were completed under warranty and she was provided with a courtesy car during the period that the car was off the road.

Section 23(2) of the Consumer Rights Act 2015 says: "If the consumer requires the trader to repair or replace the goods, the trader must ... do so within a reasonable time and without significant inconvenience to the consumer". The car was supplied to Mrs M under a conditional sale agreement with Santander Consumer Finance, so I consider that it's the trader for these purposes and it would be responsible for repairing the car within a reasonable time and without significant inconvenience to Mrs M.

Although I consider that the car wasn't of satisfactory quality when it was supplied to Mrs M, Santander Consumer Finance says that it hadn't received any evidence from Mrs M to indicate that the fault was present at the point of sale because she didn't have the manufacturer's dealer's job cards or invoices. The car was then repaired by the manufacturer's dealer and returned to Mrs M less than a month after Santander Consumer Finance had issued its final response to Mrs M's complaint. I'm not persuaded that section 23(2) would give Mrs M the right to reject the car in these circumstances.

The investigator thought that Mrs M had experienced distress or inconvenience as a result of being supplied with a car that wasn't of satisfactory quality and that it would be fair for Santander Consumer Finance to pay her £200 compensation to reflect that. Mrs M says that the proposed compensation of £200 doesn't adequately reflect the stress, disruption, and time involved with this matter since September 2024, and that a higher level of compensation would better reflect the inconvenience and effort required. She also says that the courtesy car was mechanically sound but the manufacturer's dealer refused to cover insurance for both her and her husband, so they had to pay for additional insurance which she feels was unfair given the circumstances and the fact that the car was off the road through no fault of her own.

It's clear that Mrs M has been caused significant distress and inconvenience as a result of the faults with the car from August 2024 to April 2025. I find that it would be fair and reasonable in these circumstances for Santander Consumer Finance to pay the equivalent of one monthly payment under the conditional sale agreement, which is £432.91, to Mrs M to compensate her for the distress and inconvenience that she's been caused.

Mrs M says that Santander Consumer Finance has failed to meet its obligations under the Consumer Duty. The Consumer Duty has applied to products and services since 31 July 2023. Mrs M entered into the conditional sale agreement in March 2023, so the Consumer Duty doesn't apply in these circumstances. I've carefully considered all that Mrs M and Santander Consumer Finance have said and provided about this complaint, and I find that it wouldn't be fair or reasonable for Mrs M to be able to reject the car, but that it would be fair and reasonable for Santander Consumer Finance to pay her £432.91 to compensate her for the distress and inconvenience that she's been caused".

Subject to any further comments or evidence that I received from Mrs M and Santander Consumer Finance, my provisional decision was that I intended to uphold this complaint. Santander Consumer Finance has accepted my provisional decision and says that the dealer has advised that the car has been dropped off with it and abandoned, so it should be collected as soon as possible to avoid escalation to recoveries.

Mrs M has provided a detailed response to my provisional decision in which she says, in summary and amongst other things, that:

- it was around eight months from her first reporting the fault to resolution, with a full month of the car being completely off the road when she was required to use a courtesy car that wasn't equivalent to the one she purchased and she had to pay additional insurance costs during this time, and she believes that it's fair to say that that constitutes both an unreasonable delay and significant inconvenience;
- the fault was clearly raised in August 2024, months before Santander Consumer Finance formally engaged, and the timeline should start from August 2024;
- she acted entirely reasonably in taking the car to the manufacturer's dealer, it was still under the manufacturer's warranty and it was both practical and appropriate to seek assistance from the manufacturer's dealer, and that's the same course of action that she believes Santander Consumer Finance would have advised, had she contacted it at that point, and there's no requirement for the a consumer to approach the supplying dealer in order to preserve the right to reject;
- this experience has led to a complete loss of confidence in the car and, even if it has now been repaired, she no longer trusts it to be reliable or fit for purpose, and she's faced significant stress, delay, and disruption as a result of a fault that arose far earlier than should reasonably be expected in a new car of this value;
- she's left with a car that failed in a fundamental way and wasn't repaired within a

- reasonable timeframe, so she's seeking to exercise her right to reject the car;
- this service has upheld the consumers' rights to reject a car in situations where: a serious fault arose early in the car's life; the repair wasn't carried out within a reasonable time; and the fault caused the consumer to lose confidence in the car; and
 - a significant drivetrain fault developed after just over 10,000 miles, the car became undrivable, and the repair wasn't completed until many months after the issue was first reported and, even if the repair has now been completed, the time it took and the nature of the fault have left her with no confidence in the car's long-term reliability or durability.

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've carefully considered all that Mrs M has said and provided about her complaint, including her detailed response to my provisional decision, but I'm not persuaded that I should change the findings that I set out in my provisional decision.

The car was supplied to Mrs M in March 2023 and she complained about a fault with it in August 2024, about seventeen months later. The car was looked at by the manufacturer's dealer in October 2024, but no fault was found, other than a tyre pressure issue. The car was looked at by the manufacturer's dealer in February 2025 and a fault with the motor resolver was found and a replacement was ordered. The car was repaired under warranty in April 2025 and was returned to Mrs M. She says that she's lost confidence in the car but I've seen no evidence to show that there continue to be issues with the car or that it isn't fit for purpose. Mrs M was provided with a courtesy car and I'm not persuaded that there's been a breach of section 23(2) in these circumstances.

Mrs M complained to Santander Consumer Finance about the car in March 2025, but it didn't uphold her complaint. It said that it hadn't received any evidence from Mrs M to indicate that the fault was present at the point of sale because she didn't have the manufacturer's dealer's job cards or invoices. It says that it spoke to the supplying dealer who confirmed that it had had no contact with Mrs M since the car was supplied to her and it was unable to find any service history for the car. I consider that the response that it issued to Mrs M's complaint in April 2025 was fair and reasonable at that time, and the repaired car was returned to her later that month.

This service considers each complaint on its individual merits. I've considered what Mrs M has said about decisions on other complaints, but I'm not persuaded that she has the right to reject the car in these circumstances. I've said that Santander Consumer Finance should pay £432.91 to Mrs M to compensate her for the distress and inconvenience that she's been caused, and it has agreed to do so.

I appreciate that my decision will be disappointing for Mrs M, but I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Santander Consumer Finance to allow her to reject the car or to take any action in response to her complaint, other than paying her that compensation. Santander Consumer Finance says that the dealer has advised that the car has been dropped off with it and abandoned so it should be collected as soon as possible to avoid escalation to recoveries. I suggest that Mrs M collects the car from the dealer and, if she no longer wants the car, that she contacts Santander Consumer Finance to discuss her options for ending the conditional sale agreement and returning the car to it.

Putting things right

I find that it would be fair and reasonable in these circumstances for Santander Consumer Finance to pay £432.91 to Mrs M to compensate her for the distress and inconvenience that she's been caused.

My final decision

My decision is that I uphold Mrs M's complaint and order Santander Consumer (UK) plc, trading as Santander Consumer Finance, to pay £432.91 compensation to Mrs M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 7 January 2026.

Jarrold Hastings
Ombudsman