

The complaint

Mrs J complains about incorrect charges that Santander Consumer (UK) Plc (“Santander”) added to her car lease account and the adverse effect it had on her credit file.

When I refer to what Mrs J said and what Santander said, it should also be taken to include things said on their behalf.

What happened

Mrs J’s car was financed by a lease agreement with Santander. The agreement was for three years, after which Mrs J would return the car.

In February 2025, Mrs J spoke to Santander about a missed final payment due to a cancelled direct debit instruction. She complained that recharges for fines had been added to her account but they should have been removed. So, Mrs J said she’d pay any outstanding amount only when the incorrect charges had been removed.

After the car was collected, Santander raised further charges for additional hire days. But Mrs J explained that she’d been advised not to use the car for the first two weeks while a mistake was resolved, so she believed the contract should end two weeks later without any additional charge.

Santander charged for end of lease damage which Mrs J disputed. While other damage charges were removed, Santander maintained the charge for the scuff on the front bumper. Mrs J didn’t agree that it was a valid charge.

Mrs J complained that Santander recorded adverse information on her credit file relating to the disputed charges. She said the outstanding amount ranged from around £800 to £124. When Santander provided her with the correct balance of £224, Mrs J said she had to ask Santander repeatedly to give her the bank details to make the undisputed payment. Mrs J complains that she lost around £10,000 of income due to Santander’s errors recording information on her credit file.

Santander issued final response letters to Mrs J in which it confirmed that the additional hire charge and the disputed fine charges had been credited. Santander credited two payments of £50 to the account by way of apology for the inconvenience caused, and confirmed that it had received Mrs J’s payment for the outstanding balance. In respect of the credit file, Santander said it had told Mrs J there was a missed payment from January 2025 for the final hire period. Therefore, it didn’t think it had done anything wrong by providing an accurate reflection of the account status to the credit reference agencies.

Mrs J didn’t agree with Santander’s response, so she brought her complaint to us.

Our investigator didn’t think there was anything more for Santander to do. He said it had corrected the disputed account charges and paid compensation for the inconvenience caused. But our investigator agreed that the scuff damage fell within the unacceptable range stated in guidance for end of lease contracts. Further he agreed that Santander had

reasonably provided accurate information for the credit reference agencies about the missed payment, and he didn't think Santander needed to amend the information. Our investigator thought the compensation payment totalling £100 was fair and reasonable in the circumstances. He didn't uphold Mrs J's complaint.

Mrs J didn't agree. She referred back to the start of the contract when Santander advised her not to drive the car until the correct one was delivered, so she remained of the view that Santander shouldn't have charged for additional hire days. She also said that Santander couldn't provide her with an accurate balance for a number of months, and it failed to respond promptly to her request for bank details and evidence of her account. Mrs J went on to say that an independent garage agreed with her that the scuff mark shouldn't have been charged for, and that the car remained with her until the end of February because Santander failed to arrange a prompt collection.

To resolve her complaint, Mrs J would like compensation for the distress and inconvenience caused, and for Santander to compensate her for the loss of around £10,000 in income because of the credit file recording error.

Because Mrs J didn't agree with our investigator, the complaint was 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 decided not to uphold Mrs J's complaint for broadly the same reasons as our investigator. While I realise this will come as a disappointment to her, I'm not asking Santander to do any more.

Both Mrs J and Santander are familiar with the complaint, so I won't repeat the details here. Instead, I've focussed on giving the reasons for my decision and, where appropriate, I've referred to the relevant evidence.

Missed payment

Mrs J disputed the outstanding charge on her account. Santander said the direct debit was cancelled so it had been unable to take the final payment due under the lease agreement.

The account record provided by Santander shows that it didn't receive the final £364 monthly payment, and Mrs J didn't bring the account up to date until June 2025. Mrs J hasn't disputed this, but she doesn't agree that the circumstances were so straightforward. She said she would only pay the balance once Santander had removed incorrect charges. While I understand she wanted an accurate balance, the charges she disputed did not relate to the monthly rental payments which were due, contractually, under the lease agreement. Therefore, I find that Santander reasonably sought payment from Mrs J.

Credit file

Leading directly on from the above point, Mrs J complained that her credit file was adversely affected by Santander's record of the missed payment. She said it caused her to lose two mortgages, resulting in around £10,000 loss of income. Mrs J would like Santander to compensate her for this loss.

I've listened to the call from 11 February 2025 during which Mrs J explained to Santander that she wouldn't pay until the account was corrected. The agent said that, "*unpaid rental could have an adverse effect on your credit file*". Mrs J responded with, "*no problem*".

Based on this evidence, I'm satisfied that Mrs J was made aware that the rental payment was separate to the disputed charges and, if she didn't make payment, her credit file could be affected. Mrs J didn't make the payment, so it follows that the account was in arrears. Therefore, any information Santander shared with the credit reference agencies would have shown the missing payment. That's because Santander is required to provide an accurate record of the account status.

I find that Mrs J could have mitigated her loss by making the contractual payment while still disputing the additional charges. And I think Santander advised her appropriately about the possible outcome. Therefore, I don't uphold this element of her complaint.

I've also considered Mrs J's complaint that the amount Santander recorded against her credit file varied significantly. The only evidence I've seen shows an outstanding balance of £124 in May 2025. As Mrs J didn't pay the final rental payment until June, and the balance was greater than £124, I find it unlikely that this was materially detrimental to her.

Bank details

I've thought about Mrs J's complaint that Santander didn't provide her with the details to make her payment, despite repeated chasers, and whether this was likely to have caused any of the payment dispute.

In the call between Mrs J and Santander on 26 February 2025, Mrs J said Santander hadn't provided her with the bank details so she could make payment. The agent apologised and said they would "*email those over*". Santander's records show that the details were sent, and in her email to Santander's credit control department on the same day, Mrs J said, "*Thanks for providing the bank details, after the 3rd or 4th time of asking*". This was two weeks after Santander made Mrs J aware of the missed rental payment.

It's not clear, then, why Mrs J said Santander didn't provide the bank details, why she chased Santander for the bank details again in May, or why she said in her submissions that she made the outstanding payment as soon as she received the details. Mrs J made payment in June 2025, but the evidence shows she had the bank details in February 2025.

Therefore, I don't find that Santander contributed significantly to the delay in Mrs J making the final monthly rental payment.

End of lease damage

Mrs J disputed the damage charges and she said the bumper damage could only be seen if viewed up close. Santander removed all charges except for the bumper damage, which it said was outside the acceptable range detailed in the British Vehicle Renting and Leasing Association (BVRLA) guidance.

I've looked at the BVRLA guidance which says that scratches of less than 25mm on bumpers are acceptable. The inspection report concluded that there were multiple scratches measuring between 26mm and 100mm. The photos that Santander provided in its inspection report show a measuring tool held next to the scratches, and I'm satisfied that they demonstrate marks extending beyond 25mm.

Mrs J said an independent garage told her that the damage shouldn't have been charged for. I haven't been presented with any evidence in relation to this. So, in the absence of anything to persuade me otherwise, I find that Santander fairly and reasonably maintained the £65 charge for the bumper damage.

Additional hire charge

I've looked at the evidence relating to Mrs J's complaint about the additional hire charges. Her contract was set to end on 9 February 2025, and Santander confirmed the car would be collected on that day. Mrs J asked to keep the car until the end of February in recognition of the two weeks at the start of the contract when she was told not to use the car until the correct one was supplied. I think her request was reasonable.

However, the evidence doesn't support Mrs J's claim that Santander charged her for the late return because it didn't have availability to collect the car. I note that in an email dated 23 December 2024, Santander said it had arranged a collection for 9 February 2025. In her response, Mrs J said, *"you'll have to reschedule. I had no use of the car for the first 2 weeks [...] You need to book the collection for the end of feb"*. Again, I think her request was reasonable based on her report that she lost the first two weeks of use. But I can't reasonably conclude that Santander was unable to collect the car as she claimed.

In respect of the charges for the extra period, I note that Santander removed the full amount. Therefore, I find that Santander has already put matters right.

Compensation

As I haven't found that Santander did anything wrong in respect of the information it provided for Mrs J's credit file, I see no reason to ask it to pay for the financial loss she says she suffered.

I see Santander paid a total of £100 compensation in respect of service shortfalls. It's clear there were some delays in Santander's responses to Mrs J, and I think that would've caused some inconvenience. Santander has already corrected any errors on the account, so I'm satisfied it has put matters right. Therefore, I find its compensation offer is fair and reasonable in recognition of the service shortfall, and it's in keeping with what I would've awarded. I see no reason to ask Santander to pay any more.

My final decision

For the reasons I've explained above, my final decision is that I don't uphold Mrs J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 3 February 2026.

Debra Vaughan
Ombudsman