

## **The complaint**

Mr S complains that Santander Consumer (UK) Plc (Santander) gave him an inaccurate settlement figure that he subsequently relied upon.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr S acquired a used car on the 18 November 2024 under a regulated conditional sale agreement with Santander.

On the 11th of April 2025 Mr S made an overpayment of £1,693.67 and asked Santander for a settlement figure. On the 16th of April 2025 Santander issued a settlement quote of £20,439.93, they said it was valid for 28 days and based on there being no recalled or unpaid payments. Later that same day Santander generated a further settlement quote letter for £22,133.60. The first quote was incorrect because the payment of £1,693.67 had been duplicated in error and then recalled on the 14th of April 2025.

Mr S relied on the earlier settlement figure and sold the vehicle to a dealer. Santander received payment of the first settlement quote from the dealer on the 6 May 2025.

Santander subsequently contacted Mr S to say there was a shortfall on the agreement. It later confirmed that the correct settlement figure should have been £22,133.60 and that the balance of £1,693.67 remained outstanding. Santander also at one stage sought a higher sum which included interest.

Mr S complained, saying he relied on the original settlement figure in good faith and would not have sold the vehicle had he been given the correct amount. He considered it unfair for Santander to pursue any further payment.

Santander did not uphold his complaint. It said the first settlement quote was invalid because of the recalled payment and that the outstanding balance remained payable.

Our investigator concluded that Santander had made an administrative error when issuing the initial settlement figure, but that this did not extinguish the underlying liability. They considered that the correct settlement figure was £22,133.60 and that, after the dealer's payment of £20,439.93, a capital balance of £1,693.67 remained due under the agreement.

However, the investigator found Santander's handling of the matter was poor. They said Santander should limit recovery to the £1,693.67 capital shortfall only, waive the additional interest it had sought, remove any adverse credit reporting relating to the disputed amount, and pay Mr S £250 for distress and inconvenience.

While Santander agreed to that proposal Mr S didn't. He asked for a final decision by an ombudsman.

## **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 agree with the investigator's view of this complaint, for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've carefully considered Mr S's argument that he relied on the first settlement quotation and that it would be unfair to now require him to pay any further sum.

Santander's system records show that the first settlement letter was generated at 12:15 on 16 April 2025. The second settlement letter was generated at 17:40. Santander say the first quote was incorrect as a payment of £1,693.67 had been duplicated in error.

I accept that both settlement letters appeared to have been issued by post. The timestamp alone does not establish when Mr S received either letter. It is therefore possible that he initially received only the earlier settlement figure.

However, for Mr S's reliance argument to succeed, I would need to be persuaded that he irreversibly changed his position before Santander corrected the error.

On the evidence available, I am not persuaded that this happened.

Both settlement letters were generated on the same day. That indicates Santander corrected the error promptly rather than weeks later. Most significantly, the dealer did not make payments to Santander until the 6 May 2025, almost three weeks after both letters were issued. There's no evidence before me showing that the car was legally or irrevocably sold before the corrected settlement figure was produced on the 16 April 2025. Mr S has said he sold the car before the second quote was issued, but he's not provided documentation to demonstrate that the transaction was contractually binding and incapable of alteration at that point.

In most transactions of this nature, settlement and completion occur when the finance is redeemed. The objective evidence shows that redemption did not occur until the 6 May 2025. On balance, I am not persuaded that Mr S had irreversibly committed to the sale before Santander corrected its error.

I have also considered whether it would be inequitable to require Mr S to pay the outstanding £1,693.67. I do not think it would be. That sum represents the underlying capital shortfall which remained under the agreement. Santander's error related to the incorrect quote estimate, not to the existence of the debt itself. When the business provides incorrect information, we generally seek to place the consumer in the position they would have been in had the error not occurred, but not in a better position. If the correct figure of £22,133.60 had been provided from the outset, that is the amount that would have needed to be paid to settle the agreement.

That said, I am satisfied Santander's administrative error and subsequent handling caused

Mr S unnecessary distress and inconvenience. Santander initially demanded sums in excess of what was properly due and the matter was not handled as clearly as it should have been. It is fair that Santander waives the additional £2,290.96 elements (which appears to include interest) and limits Mr S's liability to £1,693.67 only. I also consider £250 to be fair compensation for the distress and inconvenience caused.

For these reasons, I conclude that it is fair for Mr S to remain liable for £1,693.67, but not for the larger sums Santander later demanded.

### **My final decision**

For the reasons I've given above, I uphold this complaint and tell Santander Consumer (UK) Plc to:

- Remove any adverse information they may have reported to Mr S's credit file in relation to this issue.
- Remove any outstanding sums due, save for £1,693.67.
- Pay Mr S £250 to compensate him for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 March 2026.

Phillip McMahon  
**Ombudsman**