

The complaint

Miss T complains that a car supplied to her under a conditional sale agreement with Santander Consumer (UK) Plc was of unsatisfactory quality.

What happened

In around May 2022, Miss T was supplied with a used car through a conditional sale agreement with Santander. The cash price listed on the agreement was £17,746. She made an advance payment of £3,501.01 and the agreement was for £14,244.99 over 49 months; with 48 monthly payments of £223.12 and a final payment of £7,881.20. At the time of supply, the car was approaching four years old and had travelled around 16,027 miles.

In May 2025, the car suddenly broke down with no warning. The car was returned to the dealership and a main dealer, who found that the continuously variable transmission (CVT) was damaged rendering the car undrivable. Miss T says she was quoted more than £18,000 to replace the gearbox – which was more than the car was worth.

Miss T made a complaint. She said Santander had a responsibility as the car's legal owner to support her. She said she was incurring significant costs on alternative transport and storage fees as the car couldn't be driven. She asked Santander to either repair the car or allow her to exit the agreement. Santander said given the length of time elapsed since the point of supply, it was for Miss T to demonstrate the car wasn't of satisfactory quality at the time.

The complaint was referred to this service, and Miss T arranged an independent inspection of the car. The independent engineer said some of the components of the gearbox were broken. They said the most likely cause of this was fatigue failure – which could occur suddenly with no warning signs. Santander remained of the opinion that the fault wasn't present or developing at the point of supply – and said the failure may have occurred due to the mileage covered by Miss T or driving conditions.

One of our Investigators considered the complaint and didn't uphold it. They weren't persuaded there was enough evidence to demonstrate that the fault was present or developing at the point of supply or that the car wasn't sufficiently durable. Miss T didn't agree, and asked that the complaint be referred to an Ombudsman for a final decision. So, it's been 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.

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 decision on the balance of probabilities – what I think is more likely than not 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 T was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.

In this decision I've considered Santander's actions and obligations. I understand Miss T has raised concerns about the conduct of the dealership and main dealer when investigating the fault. As the dealership and main dealer are separate entities, I haven't considered their actions here and I can't hold Santander liable for them. The exception is if they acted as Santander's agent – for example, when repairing a fault on Santander's instruction.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss T entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says goods will be considered of satisfactory quality where they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Miss T took possession of it, or wasn't sufficiently durable, and this made it not of satisfactory quality, it'd be fair and reasonable to ask Santander to put this right.

In this case, the car was close to four years old and had travelled over 16,000 miles when it was supplied to Miss T. I think a reasonable person would expect a car of this age and mileage to be supplied with some wear and tear, and to require repair and maintenance sooner than a newer or less travelled one would. But they wouldn't expect it to be supplied with any significant faults, and would expect it to be sufficiently safe and durable.

It's clear from the independent engineer's report that the gearbox components failed and the car cannot be driven in its current state. So, I'm satisfied there's a fault. It's also reasonably clear this fault wasn't present at the point of supply – as Miss T wouldn't have been able to drive the car if it was. What I need to decide is whether the fault was developing at the point of supply – or whether it was otherwise caused by the car being of unsatisfactory quality.

Under the CRA, faults which occur during the first six months of an agreement are assumed to have been present or developing at the point of supply – unless there's evidence to suggest otherwise. If a fault occurs after more than six months, that assumption doesn't apply. In this case, the fault presented itself more than three years after the point of supply, and the car travelled close to 60,000 miles in that time. In these circumstances, I don't find it unreasonable that Santander asked Miss T to provide evidence to show the fault was due to the car being of unsatisfactory quality at the point of supply.

I understand the dealership and main dealer inspected the car – but I haven't been provided with a copy of their findings. I've relied on the independent engineer's report arranged by Miss T – which includes the background on the situation. I understand there was some confusion regarding whether the dealership or main dealer stripped the gearbox prior to the inspection, which Miss T says delayed the process – but I don't think this affects my findings on the engineer report itself or whether the car was of satisfactory quality, so I won't comment on that point further.

I've carefully considered the engineer's conclusions. I appreciate this will come as a

disappointment to Miss T but having done so, I'm not persuaded the car was of unsatisfactory quality at the point of supply. I'll explain why.

The engineer said some of the gearbox links were loose, and one of the guides was broken. They concluded the most likely cause of the fault was fatigue failure of the gearbox components. They said this is a condition that develops over a period of time, and the materials will weaken and eventually fail as loads are placed on them during daily use. They also said this can result in sudden failure without warning. Effectively, the engineer said the components weakened over time but the failure occurred suddenly. While the engineer said a gearbox wouldn't typically fail at this age and mileage, they didn't comment as to whether the car had an inherent or developing fault at the point of supply, or whether the components were sufficiently durable.

I also need to consider that the fault occurred more than three years after the car was supplied to Miss T. During this time, she drove close to 60,000 miles – which I consider to be well above average mileage. So, I think it's fair to say a more than typical level of wear to the components is to be expected. I don't think the engineer's comment that a gearbox wouldn't *usually* fail at this age and mileage is enough for me to conclude that a fault occurring after such a long period of time was due to an inherent defect or durability issue. From my research, the failure of a CVT gearbox can also be influenced by external factors such as driving style and road conditions. Overall, I don't think it's likely Miss T would've been able to cover such a significant mileage over a three year period if the car was of an unsatisfactory quality when it was supplied to her.

Taking all of the circumstances into consideration, I don't find I've seen sufficient evidence to persuade me the gearbox failed due to the car being of unsatisfactory quality at the point of supply. I find it more likely the components weakened and eventually failed over time during the period Miss T had the car.

I appreciate this will come as a significant disappointment to Miss T – and this leaves her in a difficult situation, as the car cannot be driven and I understand repairs will be expensive. But for the reasons I've explained I don't uphold this complaint. As I haven't seen sufficient evidence for me to hold Santander liable for the fault, I don't require it to take any further action in relation to the car or Miss T's agreement. This also means I don't find Santander liable for the storage costs Miss T has incurred.

My final decision

My final decision is that I don't uphold Miss T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 19 May 2026.

Stephen Billings
Ombudsman