

## The complaint

Mr B complained that the charges imposed at the end of his car finance agreement with Santander Consumer (UK) Plc (“Santander”) were unfair, and that he had been wrongly notified that he was in arrears on the agreement.

## What happened

Mr B acquired a new MG using a conditional sale agreement with Santander. The agreement started in June 2021 and ran for 48 months. The car cost £32,082.99, of which Mr B borrowed £25,582.99. The monthly payment was £325.32, with a final payment of £9,967.50 due at the end of the agreement if Mr B wanted to keep the car.

Mr B decided not to keep the car when the initial term expired in June 2025, although it looks as though the car wasn’t collected until August 2025. The collection was done by a third party acting on behalf of Santander, and a report was provided to Mr B and Santander, giving details of the condition of the car. There were a number of items of damage listed, the main issues being scratches and scuffs to the wheels and bumpers. However, he disagreed with one item of damage that was listed, this being the delamination of the windscreen. He thought that this charge was unfair as it wouldn’t be the fault of the driver. The repair cost for this item was shown as £263.03, with the total cost of the repairs coming to £753.80. Santander said this was in line with the British Vehicle Rental and Leasing Association (BVRLA) Fair Wear and Tear Guide.

Santander wrote to Mr B in October 2025, saying that the amount outstanding for repairs was £464.80. The letter doesn’t clearly explain why the amount requested was less than the amount stated on the vehicle condition report.

Mr B was also receiving arrears letters, saying that money was outstanding on his agreement, although it had ended when he returned the car. I have a copy of a letter from December, but Santander’s records show letters were being sent earlier than this. The amount shown on the December letter was £3,526.17.

Santander was also reporting this information to the credit reference agencies, Mr B’s credit record shows that Santander reported a balance outstanding of £9,980.00 in August and September 2025, and £3,538.00 in October, November and December 2025, and arrears on the account. Mr B said he had a mortgage application declined because of this adverse information.

Mr B complained to Santander in October 2025. Santander issued its final response letter in December 2025, saying that the arrears letters were sent by mistake. Santander also said that a default fee may have been added to the account (and if that was the case it would be removed), and that it would ensure Mr B’s credit record was corrected. However, it remained of the view that the charge for the windscreen was fair.

Mr B then brought his complaint to this service. After that, Santander offered to pay Mr B £100 in recognition of the distress and inconvenience caused by the incorrect information on his credit record. However, Mr B didn’t accept this as he said that Santander was still

reporting incorrect information to the credit reference agencies, and this was continuing to impact his mortgage applications.

Our investigator looked into Mr B's complaint and thought it should be partially upheld. He thought the charge for the windscreen was fair, but that Santander should pay a higher amount to reflect the distress and inconvenience caused by the incorrect information on Mr B's credit file.

Santander accepted this. But Mr B didn't agree with the revised amount – he thought a fair amount would be £1,000 - and so he asked that the complaint be referred to an ombudsman for review. However, he said he accepted the matter of the repair charges, and the sum due in that respect, including the amount for the windscreen delamination.

### **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 decided to uphold Mr B's complaint in part. I'll explain why.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

Santander sent in copies of the original finance agreement, the vehicle condition report from the point of collection, notes of its contact with Mr B, and copies of correspondence. Mr B also provided copies of letters he'd received, along with extracts from his credit file.

Looking first at the damage to the windscreen, I note that Mr B has now accepted the charges, so I don't need to comment in detail on this point, although I agree with our investigator that the charge was in line with BVRLA guidance. In any case, I note that the total cost of repairs shown on the vehicle condition report was £753.80, but this was reduced to £464.80, although I don't have clear information about why that was the case. But the reduction was more than the cost of the windscreen repair.

However, as Mr B was querying the charges, while I think it is fair for Santander to report these to the credit reference agencies, I don't think it would be fair to report them as arrears. So if Santander has so far reported any adverse information relating to the charges, I think it would be fair to remove this from Mr B's credit record.

With regard to the arrears notices and the reporting to the credit reference agencies, Santander has accepted that this was an error on its part and has said it will correct Mr B's credit record. This doesn't seem to have been completed as of January this year, but there can be a time lag in the updating of credit reference agency records. It may be that Mr B's credit record is now correct, but I would expect Santander to ensure that the corrections have been made.

With regard to the payment for distress and inconvenience, I do appreciate the effect that all this has had on Mr B, especially as it has affected his mortgage applications. But having considered all of the evidence, I'm satisfied that £500, rather than a higher amount, is appropriate and in line with our general approach in this area, given the impact on Mr B.

In summary, I do not uphold the element of the complaint relating to the windscreen delamination, but in any case Mr B has now accepted this charge. I have decided to uphold the other element of his complaint, in that I consider Santander should pay Mr B £500 in

recognition of the distress and inconvenience caused by its incorrect reporting to the credit reference agencies.

### **Putting things right**

Santander should

- Ensure that any adverse information relating to this agreement (including the repair charges) has been removed from Mr B's credit record.
- Pay £500 to Mr B in recognition of the distress and inconvenience caused.

### **My final decision**

For the reasons given above, I have decided to uphold Mr B's complaint in part, and to require Santander Consumer (UK) Plc to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 April 2026.

Jan Ferrari  
**Ombudsman**