

The complaint

Mr G complains about a decision made by Santander Consumer (UK) Plc, trading as Santander Consumer Finance ('Santander') to terminate his credit agreement.

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 G entered into a regulated conditional sale agreement with Santander to finance a vehicle.

In late 2024 and early 2025 Mr G began to experience financial difficulty due to his partner's serious ill health. This led to him taking on caring responsibilities and missing letters sent to his home address while he was at his partner's. Payments on the agreement were missed and the account fell into arrears.

The payment history shows missed instalments in January and February 2025 followed by further missed payments in the months after a default notice was issued on the 1 March 2025. Although Mr G made a number of payments, including some larger lump sums later in 2025, the account did not return to a consistently maintained position.

Santander allowed the agreement to continue for several months after the default notice was issued, but they ultimately terminated the agreement on the 4 November 2025. Mr G complained saying Santander had not properly taken account of his vulnerable circumstances and should have accepted a repayment plan to allow him to keep the vehicle which he relied on for work.

Our investigator did not uphold the complaint. He thought Santander had acted in line with the terms and conditions of the agreement and that it was reasonable for them to terminate the agreement given the ongoing arrears. Mr G disagreed and asked for an ombudsman's decision.

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 and 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 recognise that Mr G was experiencing very difficult personal circumstances at the time and I have taken into account the impact his partner's serious medical condition and his caring responsibilities would have had on his ability to manage the agreement. This amounts to a clear vulnerability and I would expect Santander to act with appropriate care and consideration in these circumstances.

However, I also have to consider the overall conduct of the account. The evidence shows that by early 2025 there had already been a pattern of missed payments, and this continued after the default notice was issued. While Mr G did make some payments, including larger sums later in 2025, these did not bring the account back into a stable or up-to-date position.

Santander, however, did not move immediately to terminate the agreement. Instead, they allowed a period of around eight months after the default notice for the position to be remedied. During that time the payment pattern remained inconsistent and arrears persisted.

In those circumstances, I am satisfied that it was reasonable for Santander to conclude that the agreement was no longer sustainable and to exercise its right to terminate it. I have not seen sufficient evidence that Santander failed to act fairly in doing so, or that it declined a viable and sustainable repayment arrangement which would have resolved the arrears.

I appreciate this will be disappointing for Mr G particularly given in his personal circumstances and reliance on the car. But taking everything into account, I do not think that Santander acted unfairly or unreasonably.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 May 2026.

Phillip McMahon
Ombudsman