

## The complaint

Mr M complains about the way that Santander Consumer (UK) plc, trading as Santander Consumer Finance, has dealt with a conditional sale agreement under which a car was supplied to him.

## What happened

A used car was supplied to Mr M under a conditional sale agreement with Santander Consumer Finance that was dated in March 2022. The price of the car was £75,900, Mr M made an advance payment of £25,000 and he agreed to make 48 monthly payments of £586.73 and a final a payment of £34,472 to Santander Consumer Finance.

Due to some significant life events, Mr M wasn't able to make all of those payments and Santander Consumer Finance recorded a default on his credit file. Mr M complained to Santander Consumer Finance about its handling of the conditional sale agreement in February 2025, but it didn't uphold his complaint. It said that it had attempted to contact him multiple times and had come to a payment arrangement with him. Mr M made a payment to clear the arrears on his account later that month and he referred his complaint to this service.

Mr M's complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Santander Consumer Finance had acted fairly. He thought that the default was a fair reflection of the status of the account at that time and Santander Consumer Finance hadn't applied it in error, but the repossession proceedings weren't cancelled until late June 2025 which caused undue distress to Mr M. He recommended that Santander Consumer Finance should pay Mr M £100 for that distress and it agreed to do so.

Mr M provided more information about what had happened and the investigator then recommended that a more suitable level of compensation would be £300. Santander Consumer Finance said that it was prepared to raise the compensation to £300, but wouldn't remove the default.

Mr M says that he doesn't believe the offer fairly reflects the seriousness of the issues involved or the impact this matter has had on him, so he would like his complaint to be referred to an ombudsman for a decision. He says, in summary and amongst other things, that:

- Santander Consumer Finance was fully aware of his circumstances at the time the account issues arose, but the account was escalated and a default was recorded;
- his credit score has been severely damaged and he's experienced prolonged financial difficulty as a result; and
- he doesn't believe the handling of his account reflects fair treatment of a vulnerable customer and the adverse credit reporting isn't fair and accurate.

## 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.

Mr M had agreed for a car to be supplied to him under a conditional sale agreement with Santander Consumer Finance and he'd agreed to make monthly payments of £586.73. Due to some significant life events, which Mr M has described in detail, he wasn't able to make those payments from July 2024, so Santander Consumer Finance sent him a default notice. Although Mr M explained his circumstances to Santander Consumer Finance, its records say that no settlement was received by the January 2025 deadline and that the default notice wasn't satisfied, so action to repossess the car was started.

Santander Consumer Finance recorded a default on Mr M's credit file. Santander Consumer Finance is required to report true and accurate information about the conditional sale agreement to the credit reference agencies. Mr M hadn't made the payments that he'd agreed to make under that agreement, so he was in default. I'm not persuaded that Santander Consumer Finance reported the default incorrectly or that the information that's on Mr M's credit file isn't true and accurate and it says that it's not offering to remove the default. I appreciate that my decision will be disappointing for Mr M, particularly in the circumstances that he's described, but I find that it wouldn't be fair or reasonable for me to require Santander Consumer Finance to remove the default from his credit file.

The investigator recommended that Santander Consumer Finance should pay £300 to Mr M to compensate him for the distress and inconvenience that he's been caused by the time taken for it to cancel its collection and enforcement activity and the impact of that on Mr M. It has accepted that recommendation and I consider the £300 that was recommended by the investigator to be fair and reasonable compensation for the distress and inconvenience that Mr M has been caused by those issues. I'm not persuaded that a higher award of compensation is justified in these circumstances.

### **Putting things right**

I find that it would be fair and reasonable in these circumstances for Santander Consumer Finance to pay £300 compensation to Mr M. I'm not persuaded that it would be fair or reasonable for me to require it to take any other action in response to his complaint.

### **My final decision**

My decision is that I uphold Mr M's complaint and order Santander Consumer (UK) plc, trading as Santander Consumer Finance, to pay him £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 May 2026.

Jarrold Hastings  
**Ombudsman**