

The complaint

Mr L has complained about the way Santander Consumer (UK) plc T/A Santander Consumer Finance (SCUK) administered a conditional sale agreement.

What happened

The circumstances of the complaint are well known to the parties so I won't go over everything again in detail. But, to summarise, Mr L acquired a used car under a conditional sale agreement with SCUK in 2024. The cash price of the car was around £11,000 and Mr L was due to pay back the agreement over three years.

SCUK said it received notification on 26 September 2025 the car was seized by the police for not having the correct insurance. Mr L said he attempted to collect the car a few days later having paid £630 for compound insurance. Mr L said when he arrived the system displayed that the car was to be collected by SCUK.

Mr L said SCUK didn't inform him of any involvement or intention to collect the car. He said he wasted £630 for insurance he didn't need. He also said SCUK was charging him collection fees of around £670. Mr L complained.

SCUK responded to say as the legal owners of the car it had the right to instruct its agents to collect it, and that it didn't have to notify Mr L because he'd broken the terms and conditions of the agreement. It said its own fees were valid. SCUK also responded to a complaint Mr L raised about being mis-sold the agreement initially because he only had a provisional licence. It said customers were allowed to acquire vehicle finance without a full licence, but it was Mr L's responsibility to make sure the car was properly insured. SCUK didn't uphold the complaint and Mr L decided to refer it to the Financial Ombudsman to consider.

One of our investigators looked into things and thought SCUK was entitled to recover the car in the circumstances, and it didn't need to remove the recovery or collection fees. But he thought SCUK could have communicated more clearly with Mr L earlier on to explain what was happening. He recommended SCUK provide Mr L with details of the current status of the account, along with £200 compensation.

SCUK agreed, but Mr L didn't. He said he understood the collection and storage fees, but he was at a loss of £630. He said had SCUK informed him it was going to collect the car he wouldn't have paid for the compound insurance. He said the loss arose because of SCUK's actions. He was unhappy with how SCUK dealt with things overall.

As things weren't resolved, the complaint has 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.

I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr L and SCUK that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr L acquired the car under a conditional sale agreement. Our service is able to consider complaints relating to these sorts of regulated consumer credit agreements.

Mr L isn't disputing the recovery fees so I'm not going to consider that further. The main thing left to decide is whether SCUK needs to pay Mr L £630 in relation to the compound insurance he said he had to buy, which he didn't require given SCUK wanted to collect the car.

Mr L thinks SCUK should have communicated more clearly. But I'm conscious the agreement Mr L entered into sets out in term 4.5:

*You will not allow the goods to be seized or removed by the police under a statutory power, this will be treated as a breach of the agreement. **In the event that the goods are seized or removed we may take the goods into safe custody.** [my emphasis]*

I've thought about things carefully. The goods were owned by SCUK. It doesn't seem to be in dispute that Mr L breached the agreement by failing to insure the car correctly. SCUK received notification of the seizure, and I think it would have had valid concerns the car firstly wasn't insured correctly, and also that it could be destroyed if not collected in time. SCUK also set out in the agreement Mr L had agreed to that it may decide to take the goods if they were seized. Taking all that into account, while I can appreciate Mr L would have preferred contact from SCUK earlier, I don't think it was unfair for SCUK to carry out what it did, given it had set out that was possible in the agreement.

On balance, I don't find there are sufficient grounds to say it acted unfairly or that it should've done more to warn Mr L again of the steps it could take. So I don't consider the compound insurance cost to be a consequential loss of something SCUK has done wrong, and I'm not going to direct it to reimburse Mr L. Mr L may wish to speak to the company that he bought the insurance from, if it wasn't something he needed.

Our investigator thought SCUK could have communicated better overall. Given the car was seized in September 2025, Mr L complained around that time and it wasn't until December 2025 that SCUK formally responded, I can understand why Mr L was concerned about what was happening, particularly at an already stressful time when he was also receiving collections correspondence. I find the £200 recommended by our investigator and agreed by SCUK fair for any perceived failings in customer service around that time. And SCUK should also update Mr L on the status of the account if he still requires that information. I'm not going to direct it to do more.

My final decision

My final decision is that I uphold this complaint in part and direct Santander Consumer (UK) plc T/A Santander Consumer Finance to pay Mr L £200 and, if Mr L requires, to update him on the current status of the account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 21 May 2026.

Simon Wingfield
Ombudsman