

The complaint

Mrs U complains that Santander Consumer (UK) Plc trading as Santander Consumer Finance ('Santander') misrepresented a finance agreement to her.

What happened

In February 2025 Mrs U entered into a conditional sale agreement with Santander to fund a used car. She says she made it clear to the supplying dealership that she did not want an agreement which included a large final payment (a 'balloon' payment) and wanted something similar to a previous agreement she had held.

Shortly after entering into the agreement Mrs U noticed it did include a balloon payment. She complained to Santander saying that the salesperson misled her and that the agreement did not reflect what was discussed.

Santander said the agreement documentation clearly set out the payment structure, including the final payment, and that Mrs U had the opportunity to review this before signing.

Mrs U was unhappy with their response, and she referred her complaint to this service. She also mentioned that she was unhappy with the quality of the car. Our investigator wasn't persuaded that Santander had done anything wrong.

Mrs U disagreed and asked for a decision by an ombudsman.

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, 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.

Misrepresentation is, in very broad terms, a statement of law or of fact, made by one party to a contract to the other, which is untrue, and which materially influenced the other party to enter into the contract.

Section 56 of the Consumer Credit Act (1974) explains that finance providers are liable for what they say and for what is said by a credit broker or a supplier before the consumer takes out the credit agreement.

So if Mrs U was told something that was untrue by the dealership, and if I was persuaded it materially influenced her decision to enter into the finance agreement. I may think the finance agreement had been misrepresented to her and in those circumstances, I'd ask Santander to take some action to put things right.

The agreement and pre-contract information clearly set out the key financial terms, including the monthly payments and the final balloon payment. These were presented in a straightforward way as part of the documents Mrs U was asked to agree to when entering into the agreement. While I appreciate Mrs U said something different was discussed with the salesperson, I've not seen sufficient evidence to support that assertion. I also think it's relevant that the structure of the agreement is consistent with the price of the vehicle and the level of the monthly payments. The contractual payment of £120.14 per month over 48 months could not reasonably be expected to cover the £14,950 cash price of the car, and it would make sense that a balance would remain and that a balloon payment would, therefore, be warranted. In those circumstances, I'm persuaded the agreement reflects a typical structure for this type of lending and doesn't indicate that Mrs U was misled. I don't think there is sufficient evidence the agreement was misrepresented and I'm not asking Santander to take any action in that respect.

Since Mrs U referred her complaint to this service she has raised concerns about the quality of the car. In particular, she's mentioned that there's been a problem with the reversing camera, corrosion on the alloys, faulty wiper blades, and a chip on the windscreen. I can't see those issues were ever referred to Santander. This service wouldn't usually review complaints until the business has been able to consider them and provide a response. So, I'm not making any findings about those quality concerns. Mrs U should raise them, initially, with Santander. If she remains dissatisfied with their response about those issues, they will give her referral rights to this service.

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 Mrs U to accept or reject my decision before 13 May 2026.

Phillip McMahon
Ombudsman