

## **complaint**

Mrs E complains that Santander Consumer (UK) plc, trading as Santander Consumer Finance, has tried to collect the final payment due under a conditional sale agreement and has defaulted her account. She's being helped with her complaint by her husband.

## **background**

A used car was supplied to Mrs E under a conditional sale agreement with Santander Consumer Finance that she signed in March 2014. The agreement was for four years and Mrs E agreed to make 48 monthly payments of £189.76 and there was a final payment of £3,856.16.

Santander Consumer Finance sent a letter to Mrs E in January 2018 about her options at the end of the agreement. She phoned Santander Consumer Finance a few days later and said that she wanted to keep the car and reschedule the final payment. Options were discussed with her and she said that she'd discuss them with her husband. But Santander Consumer Finance received a signed and completed form which said that Mrs E wanted to make the final payment and it should be debited from her account in April 2018.

Santander Consumer Finance tried to collect the payment in April 2018 but it was returned unpaid and Mrs E didn't pay it because she said she wanted to schedule those payments as discussed in January 2018. Mrs E complained to Santander Consumer Finance. It accepted that she didn't receive the level of service that it expects during a phone conversation in April 2018 and that she didn't receive a promised call-back – so it offered her £50 compensation. Mrs E didn't accept its offer and complained to this service.

The investigator didn't recommend that this complaint should be upheld. He couldn't say that Santander Consumer Finance had done anything wrong. He said that the final payment wasn't rescheduled as no call was made to Santander Consumer Finance after the conversation in January 2018 and he said that it had acted in line with the terms of the agreement.

Mrs E's husband – on her behalf - has asked for this complaint to be considered by an ombudsman. He says, in summary, that Mrs E didn't sign the end of agreement letter in January 2018 and it must've been intercepted and signed by someone else. And he says that Mrs E isn't refusing to pay the remaining balance but wants to pay it by instalments and that Santander Consumer Finance has damaged her credit record by sending default payment information to various credit reference companies whilst her complaint is still under investigation.

Santander Consumer Finance says that it's recorded twelve late payments on Mrs E's credit file – but that her account hasn't been defaulted and that no default has been recorded on her credit file. It says that the account was settled in April 2019 when Mrs E paid it £3,891.16.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There's no dispute that Mrs E contacted Santander Consumer Finance in January 2018 because she wanted to keep the car and to pay the final payment due under the conditional sale agreement by instalments. That was in response to the letter that she'd received from it about her options at the end of the agreement. Santander Consumer Finance's account notes show the instalment arrangement was discussed but say that Mrs E was going to discuss the arrangement with her partner and was told that it would need at least twelve working days before the due date for the payment to process any arrangement. I don't consider that any arrangement for Mrs E to pay the final payment by instalments was agreed during that call.

There's no evidence to show that Mrs E contacted Santander Consumer Finance about an instalment arrangement until April 2018 – after the final payment was due. But Santander Consumer Finance received a signed and completed options form from Mrs E a few days later and she had ticked a box which said:

*"I will be paying the final balance of £3856.16. Please debit this from my bank account on [specified date] ...".*

Mrs E's husband says that Mrs E didn't sign that form and that it must've been intercepted and signed by someone else. But the form was the form relating to Mrs E's agreement and it had been signed in a way that is similar enough to her signature on the agreement to be acceptable to Santander Consumer Finance. So it tried to collect that payment from her account by direct debit on the payment due date – but the payment was returned unpaid.

Mrs E hadn't contacted Santander Consumer Finance after the conversation in January 2018, she'd said that she wanted to keep the car, it had received a signed and completed options form showing that she wanted to it to collect the final payment on the due date and there's no evidence to show that an instalment agreement had been agreed. I consider that it was fair and reasonable for Santander Consumer Finance to accept the signed and completed options form as an instruction to collect the payment – and I don't consider that it acted incorrectly when it tried to do so.

I'm not persuaded that it's likely that someone else would've signed and completed the options form to Santander Consumer Finance – and even if that did happen - Mrs E hadn't made any alternative arrangements to either return the car or to make the final payment.

Mrs E then said that she wouldn't pay the amount that was due to Santander Consumer Finance for the car as she wanted to pay it by instalments. But I don't consider that she had any right to do so and Santander Consumer Finance didn't agree to an instalment arrangement at that time.

Mrs E complained to Santander Consumer Finance. It said that she didn't receive the level of service that it expects to provide in her call in April 2018 and that she didn't receive the call back that she'd been promised. It's offered her £50 compensation. Those issues will have caused Mrs E distress and inconvenience and I find that it would be fair and reasonable for Santander Consumer Finance to pay her the £50 that it's already offered her to compensate her for that distress and inconvenience.

Mrs E then complained to this service. But the final payment remained outstanding and Santander Consumer Finance recorded late payments on her credit file. Mrs E's husband says that it shouldn't have done so because she'd complained to this service. But there's no requirement for a business to not record late payments because a complaint has been made

to this service. I consider the adverse information to be a true and accurate record of Mrs E's payment history and I consider that it was fair and reasonable for it to record that information on her credit file. Mrs E has now paid the amount due to Santander Consumer Finance and her account has been settled. It says that it hasn't recorded a default on her credit file and that her credit file shows that the agreement has been settled.

So I find that it wouldn't be fair or reasonable in these circumstances for me to require Santander Consumer Finance to remove the adverse information from Mrs E's credit file, to pay her any compensation other than the £50 compensation referred to above, or to take any other action in response to her complaint.

### **my final decision**

For these reasons, my decision is that Santander Consumer (UK) plc, trading as Santander Consumer Finance, should pay to Mrs E the £50 compensation that it's offered to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 1 November 2019.

Jarrold Hastings  
**ombudsman**