

The complaint

Mr E complains about problems with a car he acquired through a conditional sale agreement with Santander Consumer (UK) plc trading as Santander Consumer Finance (SCF). He would like to reject the car.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- Mr E took out an agreement for a three-year-old car with 43,000 miles on the clock. He might reasonably have expected more wear, tear, and repair issues than for example with a new car. Having said that we do expect cars to be fit for purpose at the point of sale
- Mr E raised an issue with the car in April 2023 some seven months after he had it. At this point, even though the onus was on Mr E to prove any issues, I am pleased to note that SCF arranged an independent inspection by ACE. Mr E also provided a brief report of his own.
- I have carefully considered both the ACE report and the report Mr E provided. Both reports confirm the vehicle was out of alignment and had a crack in the front outer track rod end, and underside damage. The ACE report noted that a stored fault code showed that the car had been in an accident prior to purchase and had been subject to previous poor repairs. It concluded the faults had not developed since purchase. Whilst the report Mr E provided is brief it seems to me to support the conclusions of the ACE report particularly with regard to impact damage.
- I appreciate ACE later clarified that the damage to the track end rod may have been because of overload, wear or tear or a combination of both and likely wasn't present at the point of sale. I found that clarification slightly confusing given ACE said the overload might have been because of the component being affected by a forced beyond its normal material strength which implies to me it might have been because of the impact damage. However even if I accept that conclusion, ACE, and Mr E's reports identified a number of other issues that do seem to result from pre point of sale impact damage.
- Whilst the ACE report notes issues around the paintwork it doesn't seem to me the damage is purely cosmetic. The report, supported by Mr E's own report, suggests serious and concerning damage from an accident prior to sale. On that basis I can only conclude the car wasn't of satisfactory quality at the point of sale. I think it's likely Mr E wouldn't have gone ahead with the agreement had he known of the

accident. And I don't think any reasonable consumer would expect a car to be sold with significant undisclosed impact damage.

- I have considered if repairing the car is reasonable but in this case I don't think it is. I think Mr E has already had sufficient inconvenience due to the issues with the car and the extensive repairs identified wouldn't be possible without further serious inconvenience to Mr E. Considering all the information that I have seen I think , in this case, rejecting the car is the most appropriate option.
- I agree with our investigator's suggested redress of a refund of Mr E's deposit and a refund of payments made since April 2023 with 8% simple interest. I also agree with the recommendation of £350 compensation for the distress and inconvenience.
- Our investigator also recommended that the following costs be refunded - £9.95 for tracking work, £30 for balancing work and £272.16 for replacement tyres. I think it's reasonable that these costs be refunded on proof this work was carried out. The tracking and balancing work costs seem to align to me to issues in the reports. I do not know if new tyres were needed due to wear and tear or due to issues identified in the reports. However, given the limited use Mr E had from the car, i think it's reasonable to refund the cost of these as he wouldn't have had the benefit of the cost of replacing them.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement , Santander Consumer (UK) plc trading as Santander Consumer Finance should :-

- End Mr E's agreement with nothing further to pay
- Collect the car at no cost to Mr E
- Refund Mr E's deposit
- Refund Mr E's monthly payments from April 2023
- Refund, on proof of payment, £9.95 for tracking, £272.16 for tyres and £30 for balancing work .
- Refunded payments should include 8% simple interest from the date of payment to the date of settlement
- Pay Mr E £350 compensation for the distress and inconvenience
- Ensure no adverse data is recorded in relation to this agreement on Mr E's credit file

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 26 March 2024.

Bridget Makins
Ombudsman