

The complaint

Mr D complains that the finance agreement he signed with Santander Consumer (UK) Plc, trading as Santander Consumer Finance (Santander) was not the one he was promised.

What happened

In October 2023 Mr D entered into a finance agreement with Santander to fund a used vehicle.

In December 2023 he complained to Santander. He said he'd agreed with the dealership that he would pay 48 payments of £525 and not the 49 payments of £524.05 that he was now being charged.

Santander agreed that Mr D had been misadvised about the length of the agreement. They offered £100 in compensation for the distress and inconvenience caused. Our investigator thought that was a fair offer but as Mr D didn't, his complaint has been referred to me, an ombudsman, to make a final 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.

I know it will disappoint Mr D, but I'm not upholding this complaint. I'll explain why.

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.

Mr D acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

Section 56 of the Consumer Credit Act (1974) is relevant here as the pre-contractual acts or omissions of the dealership will be deemed to be the responsibility of the lender.

Mr D has shared correspondence that he had with the dealership in late September 2023 when he was negotiating the deal for his car. The dealership said:

"[...] we will do the same deal as below for 525x48 months per month and an initial reservation of £500 to be taken off the balance on collection".

Yet the deal Mr D eventually signed required him to make 49 and not 48 payments.

I've considered whether the agreement was misrepresented to Mr D. 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. There's clearly been a false statement of the facts here as the number of instalments was incorrect. But it's clear Mr D entered into the contract regardless of that inaccurate statement as the email correspondence shows he was aware of the discrepancy before he signed it. He said *"(we) agreed to an arrangement whereby I would pay £525 over 48 months—not 49 months—in addition, £5,000 and my car. The remaining balance with my car will be £4500 as I've already paid £500. Before I sign this, would you kindly do those changes?"* I don't, therefore, think the agreement was misrepresented.

It is only fair that Santander compensate Mr D for the distress and inconvenience this issue has caused him. I don't, however, think it would be fair for them to waive one instalment. The terms of the agreement were clearly set out and Mr D should bear some responsibility for ensuring he understood them before signing to confirm that.

In the circumstances I think a payment of £100 was reasonable compensation. Mr D has suggested they should take account of the distance he travelled to get the car but that has nothing to do with his complaint about finance instalments. It was Mr D's decision to collect the car and drive the distance he did. I'm not asking Santander to do any more. Mr D will need to contact Santander if he wishes to accept that money.

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 Mr D to accept or reject my decision before 19 December 2024.

Phillip McMahon
Ombudsman