

The complaint

Mr O is unhappy with how Santander Consumer (UK) Plc administered a proposed credit agreement for a car.

What happened

Mr O applied for car finance with Santander in July 2022 through a dealer. But, there were delays with the agreement being processed. Mr O complained to Santander.

In December 2022, Santander issued its final response. It said, in summary, that there were delays in the finance being provided as extra checks had to be carried out on the application. Santander said its customer service had not met its usual standards and it offered Mr O £350 to apologise for the delays and inconvenience.

Mr O remained unhappy and referred the complaint to our service. He said the money offered by Santander hadn't been paid. And he said he'd lost out as he had to take out alternative finance on a higher interest rate as he needed to secure the car.

Santander explained to our service that the finance agreement had never gone live. It initially said that it wasn't to blame for the issue, as it said Mr O hadn't provided information to the dealer that was requested. Santander later said the delay was in fact caused from its side.

Our investigator issued an opinion and explained she thought the offer Santander had made to put things right was fair and reasonable under the circumstances.

Mr O was unhappy with this. He said the issue was that the £350 was never paid to him and Santander were not treating him fairly.

As Mr O disagreed, 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.

Having done so, I think the offer Santander has made to put things right is fair and reasonable. I'll explain why.

Mr O complains about a prospective consumer credit agreement. Santander have explained the finance applied for was a contract purchase/hire purchase agreement. Given Mr O was a potential customer of Santander's, and I haven't seen anything to suggest the proposed agreement wouldn't have been regulated, I'm satisfied I can look into Mr O's complaint against Santander.

There was some initial confusion about whether Santander were at fault for the delays with the application getting processed or not. But, I think on balance it's most likely it was. I say

this due to Santander's most recent explanation, and I also think it would be unlikely to uphold the complaint and offer Mr O £350 if it had done nothing wrong.

I'm satisfied this delay caused Mr O distress and inconvenience. It must have been upsetting to believe the finance was being arranged when it appears things had stalled.

I've carefully thought about what Mr O said about having to take out finance on a higher interest rate. But I've been provided with no evidence here to show Mr O lost out financially – such as the costs involved in the agreement Mr O took. And, either way, I haven't seen enough to make me think Mr O was certain to get the finance from Santander, given it has explained the application didn't complete.

I've then considered the offer Santander has made to put things right. Having done so, I think the £350 it offered is fair and reasonable to reflect what happened. I know Mr O is unhappy with the delay in this being paid to him. And I can understand his frustration here. But I don't think Santander needs to do anything further, other than to ensure it pays Mr O in line with its original offer.

My final decision

Santander Consumer (UK) Plc has already made an offer to settle this complaint by paying Mr O £350 to reflect the distress and inconvenience caused.

My final decision is that this offer is fair and reasonable under the circumstances. So, I instruct Santander, if it hasn't already, to pay Mr O £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 31 July 2023.

John Bower
Ombudsman