

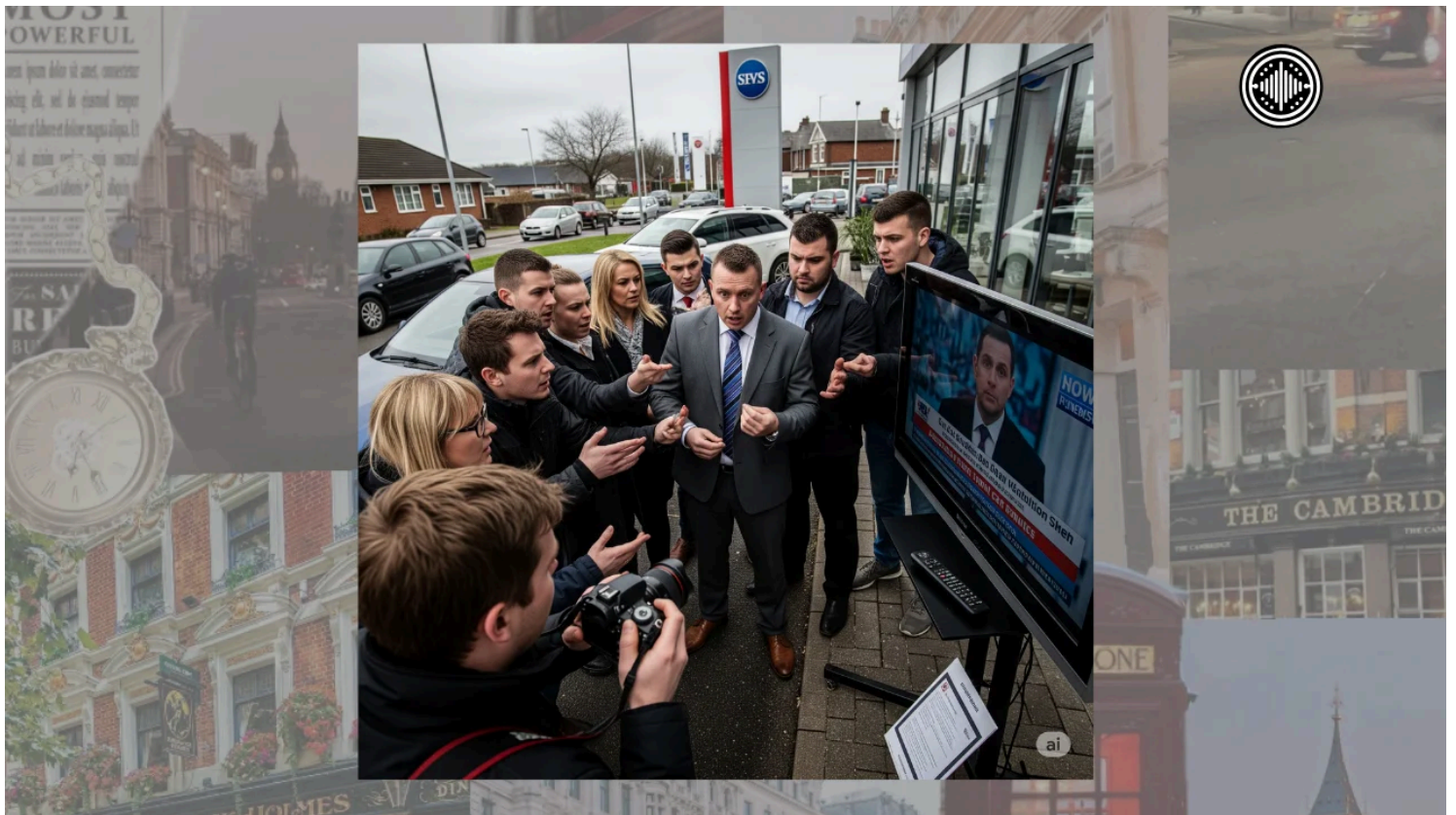
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Car Finance Mis-Selling Scandal Could See 23 Million Seek Compensation

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A staggering 23 million Brits are poised to claim compensation in what could become one of the largest financial scandals in UK history, as a Supreme Court ruling looms that could unlock tens of billions in payouts for mis-sold car finance agreements. A recent survey conducted by law firm Slater & Gordon reveals that 45% of respondents believe they are entitled to redress for car, van, or motorbike finance deals taken out

between 2007 and 2021, encompassing an estimated 30 million agreements.

The scale of the issue has already prompted major financial institutions, including Close Brothers, Lloyds, Barclays, and Santander, to set aside £1.7 billion to address potential claims. However, analysts at credit rating agency Moody's have warned that the total cost could spiral to a colossal £30 billion, dwarfing previous financial mis-selling scandals. The survey, which polled 4,000 individuals, highlights a growing public confidence in securing compensation, fuelled in part by aggressive advertising from claims management firms across television, radio, and social media.

Public distrust in banks and lenders is palpable, with 40% of respondents indicating they would pursue legal action if their claims were rejected. This scepticism stems from a belief that financial institutions may not diligently review records or fairly distribute compensation without external pressure. The Financial Conduct Authority (FCA) is under increasing scrutiny to deliver a robust response. Last month, the regulator outlined criteria for a potential formal redress scheme, which would require lenders to compensate affected customers directly, bypassing claims management firms. The FCA has also cautioned consumers against engaging with such firms, citing concerns over high fees and unnecessary intermediaries.

Slater & Gordon, which has already registered interest from 200,000 customers, supports the idea of a redress scheme but stresses it must be meticulously designed to avoid further disputes. In a recent interview with The Times, Elizabeth Comley, CEO of Slater & Gordon, stated, "The public has very high expectations of the car finance scandal. They rightly expect to be compensated for their losses. The FCA is trying to put things

right, but there's a risk that a poorly constructed redress scheme leaves many people disappointed and keen to challenge the process.”

A flawed scheme could lead to prolonged legal battles, clogging the courts and delaying resolution for millions. With the Supreme Court's decision on the horizon, the pressure is mounting on both the FCA and lenders to deliver a fair and efficient process. Should the ruling favour consumers, it could trigger an unprecedented wave of claims, potentially reshaping the financial landscape.

The current Labour government has yet to clarify its stance on the issue, leaving many to question whether it will prioritise consumer interests or defer to the financial sector's concerns. As the scandal unfolds, the public's demand for accountability grows louder, and the outcome of the Supreme Court's ruling will likely determine whether justice is served swiftly or mired in years of litigation.