

The complaint

Mr W has complained that Close Brothers Limited, trading as Close Motor Finance, provided him with a car that wasn't of satisfactory quality.

What happened

Mr W took out a finance agreement with Close Brothers, for a used car. After experiencing a number of issues with it, he told Close Brothers he'd like to reject the car – and it agreed. However, while this was being arranged with the dealership, the car was subject to a serious arson attack.

Close Brothers said that it would no longer accept a rejection. Instead, it said Mr W should contact his insurer, for it to settle the agreement. Unfortunately though, this couldn't happen, as the car wasn't insured. Close Brothers refunded Mr W the four repayments he'd made under the agreement, but said it couldn't do anything further.

Unhappy with this, Mr W brought his complaint to our service. One of our investigators looked into what had happened. She thought it was reasonable of Close Brothers to no longer accept a rejection, as Mr W could no longer return the car. She also thought it fair that he'd been refunded the four repayments. But she also thought Close Brothers should pay Mr W £250 compensation for the distress and inconvenience caused.

Mr W disagreed, and feels that £250 is a very low sum, given what he's been through as a result of having a car which was of unsatisfactory quality.

His complaint's now 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 agree with our investigator. I'll explain why.

It's not in dispute that the car wasn't of satisfactory quality. Therefore, it was quite right of Close Brothers to accept the rejection of the car – and it was in the process of arranging this. However, because of the arson attack, there was no longer a car for Mr W to reject. So, I agree with Close Brothers that the appropriate course of action - at that point - was for Mr W to contact his insurer. Mr W has explained that the car wasn't insured, as he was also having to pay insurance for another car. Although I sympathise with this, it was still his responsibility to insure the car, until it was collected. And I can't see that Close Brothers was delaying in arranging this.

I can see that Close Brothers has refunded the four repayments Mr W made, and I agree that was fair, given his limited use of the car. But, like our investigator, I think it fair that Mr W be paid compensation for the distress and inconvenience suffered. I think £250 is a significant sum, and I'm mindful that Close Brothers responded to Mr W's concerns about

the car's quality and proposed a fair resolution.

Putting things right

To put things right, Close Brothers should pay Mr W £250 compensation.

My final decision

It's my final decision to uphold this complaint in part. I require Close Brothers Limited, trading as Close Motor Finance, to pay Mr W £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 October 2023.

Elspeth Wood
Ombudsman