

## **The complaint**

Mr T complains about a car he acquired with credit provided by Close Brothers Limited.

## **What happened**

In February 2023 Mr T entered into a regulated conditional sale agreement with Close Brothers to finance his purchase of a used car. The car was ten and a half years old, its cash price was £9,990, and its mileage was 119,000 miles. It passed its MOT test in that month.

Mr T says that almost at once he discovered a number of problems with the car. There was a dispute about that, because Close Brothers says Mr T did not report these problems to it or to the dealership at the time. But in June 2023 – less than six months after the point of sale – an independent inspection was arranged, and this found that there were a number of defects which had been present at the point of sale. Close Brothers therefore agreed to repair those defects at no cost to Mr T, and it asked him to provide a quote from a garage of his choice. (By then, one of the defects had already been repaired by a third party, and the dealership had paid Mr T for that.)

However, Mr T said he didn't have time to obtain a quote. He wanted to reject the car instead. He said that new defects had appeared. Close Brothers did not accept that it was responsible for the new defects, because they hadn't been present or developing at the point of sale, but were just wear and tear that had occurred while Mr T was driving the car. That was confirmed by a second independent inspection.

Being dissatisfied with that response, Mr T brought this complaint to our service.

Our investigator did not agree that Mr T was entitled to reject the car. He hadn't exercised that right within the time limit of 30 days, and so Close Brothers was entitled to repair the car first. And she didn't think that Close Brothers was responsible for the new defects. But she did recommend that Close Brothers pay Mr T £200 for his inconvenience (including for the delay in resolving the matter), and also refund 10% of his monthly payments from June 2023 (when he first raised the matter with Close Brothers) until the car is repaired, for his loss of enjoyment of the car.

Close Brothers accepted that opinion. Mr T did not; he asked for a full refund of all of his monthly payments since April 2023, and for a larger sum than £200 for the time the matter had taken. This case was therefore referred for an ombudsman's 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 have no reason to doubt the conclusions of the independent engineer, and so I will adopt his findings. The matters for which Close Brothers Limited is responsible are therefore the ones listed in its offer letter dated 2 January 2024:

- Missing nearside rear parking sensor

- Nearside rear window that is running slow
- Air conditioning
- Nearside headlamp.

The engineer also found that the offside front window is also running slow upon operation, and this appears to have been overlooked; that must be fixed too.

The reference in that letter to the rocker cover appears to be a mistake; the engineer had recommended replacing a pipe between the airbox and the rocker cover, and I understand that this pipe has since been replaced, but there is no evidence of a fault with the rocker cover itself.

I do not think that Close Brothers is liable for any issues which have arisen since the first report. That is because the engineer found that they were not present at the point of sale, and Close Brothers is only legally liable for problems which were present then and not for later ones.

I don't think it is unreasonable to expect Mr T to obtain quotes for the repairs (also that will give him the peace of mind that the repairs are going to be carried out by a suitable garage).

Since the car was still driveable, and Mr T did drive it, I do not think it is necessary to refund more than 10% of the monthly payments. And I think that £200 is in line with what our service would typically award. So I endorse our investigator's recommended compensation.

### **My final decision**

My decision is that I uphold this complaint. I direct Close Brothers Limited to put things right in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 October 2024.

Richard Wood  
**Ombudsman**