

The complaint

Mr A has complained about the quality of a motorbike he acquired using finance from Close Brothers Limited.

What happened

In January 2023, Mr A entered into a finance agreement with Close Brothers, for a used motorbike. At that point, it was around seven years old, and had 6,472 miles on the clock.

In March 2023, Mr A said he noticed a 'knocking' noise, and called the broker, which I will refer to as 'M'. M asked Mr A to bring the bike over so it could look at it, but Mr A said he didn't feel safe doing so. And he couldn't bring it over in his van, as that had been damaged during an attempted break-in.

Accordingly, he's explained that a third party mechanic looked at the bike. He says the mechanic removed a number of bolts and a panel, and said the engine case gasket needed changing, and the oil topping up. He also said a bolt had lost its nut, and could have been very dangerous. Mr A said he couldn't provide any job sheets, as no work had been done. But he did provide photos, and said it was the only time anyone had looked at the bike, and nothing else had been done to it.

A week later, Mr A's van was repaired, so he was able to take the bike to M. M said it was out of warranty, but it would look at the bike as a goodwill gesture. However, there were then lengthy delays and Mr A was without a bike. He's explained that this meant he needed to buy another bike, so had to pay for both.

One of our investigators looked into what had happened. Initially, he thought the complaint should be upheld, but he then received information from Close Brothers, which changed his mind. He explained why. He could see that the first record Close Brothers had of contact from Mr A wasn't until July 2023. And Close Brothers said in an email on that date that there shouldn't be any unauthorised repairs, and the bike shouldn't be driven if there were any engine, gearbox or transmission faults being displayed.

Close Brothers instructed an independent firm, ACE, to inspect the bike. This took place on 6 September 2023. ACE was advised that Mr A had provided figures on 12 July 2023, to show the mileage was 7,000 – meaning he'd travelled 528 miles since he got the bike.

Our investigator noted that ACE reported there was no oil in the engine assembly, and that one of the castellation ends on the clutch basket had been broken off. The gurned thrust washer was missing and the retaining plate for the washer had damage to two of the mounting holes, as a result of either overtightening or incorrect removal of the securing bolts. In addition to this, the crankshaft nut was loose and the retaining thrust washer was found in the belly pan of the bike. Finally, it identified that the main cover for the crankshaft and clutch was loose, and there was no oil in there either. As the clutch is a wet clutch, this would have caused significant damage to the unit.

The ACE report concluded that the bike did have faults that would have made it dangerous,

but that it seemed this was the result of an unsuccessful or poor repair by a third party mechanic. They found the fault was likely present at the point of sale, but that it has been made worse by the fact it has been driven since the failed repairs, causing further damage. This was supported by the fact that the mileage on the bike was significantly higher than ACE had been advised when instructed. The bike had in fact travelled 1,678 miles since the agreement started, rather than the 528 previously reported.

Our investigator thought it likely that Mr A had had repairs carried out. This was because Mr A had told Close Brothers that the head gasket had been replaced by a third party mechanic. Close Brothers asked Mr A to provide proof of what had – or hadn't – been done, but Mr A hadn't been able to. So, there was no evidence to refute the findings of the ACE report.

At this point, the broker, M, advised that if Mr A paid for the parts, it would instal them free of charge, to get the bike to a point where it could be run - and so be assessed for further damage. It also said that the bike had been provided to it with parts missing, which was partly why it couldn't be driven. Our investigator felt this supported there having been work carried out on the bike after it was supplied. And that these repairs had been either poorly carried out, or failed - but by carrying them out, it meant Close Brothers couldn't now reasonably exercise its right to repair the bike. Accordingly, he didn't feel the complaint should be upheld.

Mr A disagreed. In summary, he said no mechanical repair was done to the bike, there was nothing missing from it when it went to M, and that the mileage he'd advised on 12 July had been correct.

The complaint's now been passed to me.

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 the conclusion reached by our investigator, and for the same reasons he gave. This means I'm not requiring Close Brothers to do anything. I know this will be disappointing for Mr A, but I'll explain why.

I'm aware that Mr A feels strongly that no repairs, as such, have been carried out. Rather, a mechanic looked at the bike and a piece of cardboard was changed. Unfortunately, Mr A wasn't able to provide evidence from this mechanic, as he couldn't contact him. But there's also other evidence that I think carries weight. First, I find the ACE report persuasive, and this suggests work had been done on the bike, and parts were missing. Second, I can see that Close Brothers' call notes from 12 July state:

"Have there been any previous repairs, since you took ownership? Yes. What was previously repaired? Gasket replaced. Date repair completed: 21/06/2023. Who undertook repair/location: TPG – roadside mechanic..."

The call notes from 19 September also support this.

I also think it's important that there was no oil, and the observation of the damage this could cause. I know Mr A has said he hadn't added oil as he wasn't using the bike, but I don't think this would explain there being no oil whatsoever.

As regards the mileage, when ACE inspected the bike, the mileage was far higher than Mr A had advised in July. I can't be sure why this is, but it seems possible that there had been some further miles travelled, which may well have caused drive-on damage.

On balance, I think work was done on the bike. And this means that Close Brothers didn't have a chance to carry out any repairs itself. And I'm satisfied it made it clear to Mr A that nothing should be done without its authorisation.

So, I'm not now requiring Close Brothers to do anything, because I can't determine what exactly was done to the bike, or why, and whether this caused further issues.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 February 2025.

Elsbeth Wood
Ombudsman