

The complaint

Miss S had a car conditional sale agreement with Close Brothers Limited (CBL) and she is unhappy they allowed a third-party to settle the agreement. She is also unhappy as she thought that CBL during this process might have also provided her personal data to the third-party.

What happened

In April 2019, Miss S entered into a conditional sale agreement with CBL to acquire a used car first registered in September 2013. The total cash price of the car was approximately £13,922. The total amount payable under the finance agreement was approximately £18,247. The agreement consisted of 60 monthly payments each of around £287.

Miss S said that about six or twelve months after acquiring the car, a third-party who she was no longer in a relationship with, signed the Vehicle Registration Certificate (V5C) over into their name. She said the third-party most likely did this by forging her signature. She said she reported this to the police, but they told her that it was a civil dispute so they would not get involved.

CBL provided contact notes that show that in August 2020 the third-party was authorised by Miss S to deal with and to make payments toward the finance agreement.

Miss S said that the third-party made most of the payments on the car throughout the finance agreement. But in November 2023, she was notified that a payment was missed, so early in December 2023 she called CBL. During this call she told CBL that a third-party had the car. CBL's contact notes show that during this call CBL advised Miss S that since the situation was a civil dispute, they would not get involved. They also told Miss S that she is still liable for the for the balance as the conditional sale agreement is in her name.

A few days later Miss S called CBL again and told CBL that no one else should be authorised to speak on her behalf. But after this call CBL did provide a settlement quote to the third-party, who settled the finance agreement and, on another occasion, they also have emailed the third-party a clearance email stipulating that CBL no longer held interest on the car.

Miss S, in summary, felt that CBL should not have disclosed information to a third-party regarding her finance agreement. Miss S said that CBL on two different occasions, and without proper authorisation, allowed the third-party to gain information and take actions to do with her conditional sale agreement, which caused her concern that her personal data may have been shared with the third-party. Miss S said that when she raised her concerns with CBL, one of their members told her the third-party was given her new address. This was later confirmed not to be true, but initially it did cause Miss S a lot of distress due to the nature of her previous relationship with the third-party.

In February 2024, CBL wrote to Miss S. In summary, they said they listened to the call in which a settlement agreement was provided and paid. They said during that call their agent failed to perform correct security checks and as a result, an unauthorised third-party was

able to receive a settlement figure, but that no other information was given to this unauthorised third-party. CBL have said they are upholding her complaint and have offered £150 compensation payment.

In May 2024, CBL again wrote to Miss S. In this correspondence they said they reviewed all call recordings they had with the third-party. They offered a further £200 in compensation to reflect the second data breach that occurred. They also said that if Miss S can show that she never received the original £150, they will pay her that amount plus £50 for the inconvenience of originally not having received the £150. So overall, they said they are willing to pay her £400 for the two data breaches.

Miss S was not happy with amount of compensation offered and she feels CBL should have done more to help her. So, she referred her complaint to Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that the £400 compensation offered for the distress and inconvenience Miss S experienced was a fair amount to compensate her for the mistake CBL made.

Miss S did not accept the investigators' outcomes. So, 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.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law, and, where appropriate, what would be considered to have been good industry practice at the relevant time. Where evidence is incomplete, inconclusive or contradictory, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Miss S has very strong feelings about this complaint, she provided detailed submissions in support of her view and told us a lot about her personal circumstances. I can confirm, I have read and considered the submissions in their entirety. But I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Miss S acquired the car under a conditional sale agreement, which is a regulated conditional sale agreement. Our service can look at these sorts of agreements.

Miss S feels CBL should have done more to help her. So, I have consider what CBL have done to decide if they acted in a fair and reasonable manner.

I know that Miss S feels that CBL should not have allowed a third-party to gain information and take actions to do with her conditional sale agreement, but I can see from the contact notes provided that up until December 2023, the third-party did have authority to deal on Miss S' behalf as Miss S gave this authority in August 2020. I can also see that that at that time, Miss S authorised the third-party to make payments from the third-party's account. And she has told us that the third-party did make most of the payments towards the finance

agreement. So up until December 2023, when she took that authority away, I do not think that CLB have done anything wrong when they were communicating with the third-party.

Next, I considered what happened after the call in December 2023, when Miss S told CBL that no one else should be authorised to speak on her behalf.

It was after this call that the third party, without proper authorisation, was allowed to gain information about the finance agreement, settle the finance agreement, and obtain a clearance email, provided by CBL to the third party, stipulating that CBL no longer held interest on the car. All of this should not have happened as the third-party, at that time, no longer had authority on the account, so I have considered what impact this had on Miss S and whether CBL is required to take any further action.

Miss S has gone to great deal explaining to us what impact this had on her considering her past with the third-party. She explained that when she raised her concerns with CBL, one of their members told her the third-party was given her new address. This was later confirmed not to be true, but this initially must have been very frightening and distressing for her, and while I sympathise with Miss S for the difficulties that she has experienced, based on all the available evidence, I think a total compensation of £400 offered by CBL for their errors is a reasonable amount for the impact this situation had on Miss S.

I know that Miss S feels that CBL should pay a much higher compensation because she feels she has lost out as she made some payments towards the finance agreement. She also feels that CBL should not have allowed the third-party to settle the finance agreement, because she feels she has lost out on having the car. So, I have considered this, but I have also considered a few other things: I have considered that Miss S did originally allow the third-party to deal with the account, with the third-party having made most of the payments on the finance agreement, and with the third-party being the registered keeper as the V5C was in their name. And, as I am not privy as to what the agreement was between her and the third-party regarding the car, I do not think it would be fair and reasonable for me to ask CBL to increase the compensation that was offered to Miss S. I know that Miss S said the third-party most likely became the keeper of the car by unlawful means, but that is a civil matter, and/or an issue for the police to deal with, and not a matter for me to consider in this decision.

Also, I considered that Miss S did originally give the third-party authority, so had CBL not contacted her in December 2023, the third party would have continued to make payments and/or would have been able to settle the finance agreement in full. At this point, CBL would no longer have an interest in the car and the third-party, most likely, would have been able to obtain correspondence indicating that CBL no longer held interest in the car.

I also considered if Miss S could have mitigated this situation earlier than she did if she did not want the third-party to have authority on the account. Miss S said she did not contact CBL for many years as she did not have her original paperwork and was not aware of who to contact. But I think there are several different ways she could have found out the required information, such as for example from her credit file, her bank account, or through her previous emails from CBL. And I have taken into consideration that this was a difficult time for her, and she did have a lot to deal with, but I think considering all the circumstances of this case, it would have been reasonable for her to make contact a bit sooner with CBL rather than waiting for two or three years.

While I sympathise with Miss S for the difficulties that she is experiencing, based on all the available evidence and the specific circumstances of this case, I do not think it would be fair or reasonable to ask CBL to do pay more than the £400 they have already offered to pay.

My final decision

For the reasons given above I think Close Brothers Limited should pay Miss S a total of £400 if this has not yet been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 March 2025.

Mike Kozbial
Ombudsman