

The complaint

Mr B acquired a new motor home through a conditional sale agreement with Close Brothers Limited. Mr B has had significant problems with the motor home and after failed attempts at repair, has sought to reject the vehicle and end his agreement with Close Brothers Limited.

What happened

The background and my provisional findings to this complaint are set out in my provisional decision of 10 March 2025. In that provisional decision I set out the following:

In August 2020 Mr B acquired the vehicle. It was new at the time and cost £52,390. Mr B made a deposit/advanced payment of £26,094, and the remaining £26,296 was funded by the conditional sale agreement with Close Brothers Limited. The agreement term was 120 months (10 years) and the total amount repayable of £66,063 was to be repaid by regular instalments of £333.08 each month.

Mr B had problems with the vehicle and these were both mechanical issues and coachwork issues, i.e. problems with the accommodation part of the motor home. The vehicle was returned for repairs but those repairs were unsuccessful. Mr B also believes the vehicle was used while it was with the repairer.

Close Brothers Limited said it was first contacted by Mr B about the concerns around the quality of the vehicle in August 2021 and it, and the dealership who supplied the vehicle, were unaware of any concerns from Mr B until that time. Close Brothers Limited's system notes appear to refer to a complaint from Mr B in January 2023 and a response to the complaint on 20 February 2023. Close Brothers Limited did not uphold Mr B's complaint.

Mr B complained to our service in July 2023 and we then contacted Close Brothers Limited to highlight Mr B's concerns. The case was considered by one of our investigators but after some time the complaint was passed to a new investigator at our service. That investigator set out why in their view the complaint should be upheld. In summary, that the vehicle was not of satisfactory quality and to support their view of this they referred to numerous sections of the inspection report that had been completed. The investigator noted the unsuccessful repairs and that it would be reasonable now for Close Brothers Limited to end the agreement and take back the vehicle. Mr B's deposit of £26,094 should be refunded, along with any additional expenses evidenced by Mr B, plus £200 for the distress and inconvenience caused.

The investigator also explained that Mr B had only limited use of the vehicle and because of this Close Brothers Limited should refund all of the repayments Mr B had made towards the conditional sale agreement.

Mr B responded to the investigator's view to highlight that he had to pay substantial storage costs to release the vehicle and questioned whether these would be included in the redress from Close Brothers Limited.

Close Brothers Limited said that it agrees with the assessment the investigator provided and

while it does not require the case to be escalated to an ombudsman, it asked the investigator to review their proposed refund of monthly instalments. Close Brothers Limited highlighted the amount of miles it believes the vehicle would have travelled in respect of the complaint (to and from garages etc.) and this would mean that Mr B was able to travel over 2,000 miles before first raising his concerns in August 2021. Close Brothers Limited does not therefore consider it would be reasonable to refund the monthly repayments that were due before August 2021.

Further discussion continued between the parties but ultimately an agreement could not be reached to settle the complaint informally. The investigator explained that having considered the circumstances relating to storage fees, it would not be reasonable to recommend Close Brothers Limited refund the amount Mr B had paid. But the investigator did still consider Close Brothers Limited should refund all of the monthly repayments Mr B had made, including those before August 2021.

As no agreement could be reached the complaint has been passed to me to consider as the last stage in our process.

What I've provisionally 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.

First, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. The circumstances of the complaint are well known by both parties and I see no benefit in now repeating them in significant detail here.

I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I also note that Close Brothers Limited has accepted the main findings the investigator set out around the quality of the vehicle and again see no benefit in repeating those points here in length. For clarity though, I would stress that for similar reasons to those set out by the investigator, and in particular reference to the independent inspection report, I am satisfied the motor home was not of satisfactory quality when it was first supplied to Mr B and Mr B's complaint against Close Brothers Limited should therefore be upheld.

The remaining issues relate to the redress and what should be required to put things right to resolve matters. I have therefore focused on those specific points and set out below what is in my view fair redress.

What should happen to the vehicle and repayments to the agreement

Firstly, repairs have been attempted, were unsuccessful and Mr B has been without the vehicle for a considerable amount of time. I consider it unreasonable to expect Mr B to take back the vehicle and be put through additional delay and distress waiting for further attempts at repair. I therefore agree that Close Brothers Limited should now take back the vehicle and end Mr B's agreement with nothing further owed.

Mr B made a substantial deposit payment at the outset and this should be refunded in full, with interest. There appears to be no dispute between the parties that Mr B should be

refunded some of his monthly repayments but the amount of any refund has not been agreed. Close Brothers Limited appears to accept that Mr B's repayments should be refunded after August 2021, which is when it says it was first contact about problems with the vehicle.

We have asked Mr B about his usage in the first year of having the vehicle and therefore up to around August 2021. Mr B says that he was unable to use the vehicle as much as he had expected, which he says was essentially around 8,000 miles in the year. Mr B also highlights that at that time the Covid restrictions were also in place and this would have also therefore impacted on his ability to use the vehicle.

I should highlight that Mr B has referred to having problems with the vehicle very early on after collecting it and I do not doubt this would have been disappointing spending over £60,000 on a vehicle that was clearly not of satisfactory quality. I think it also important to highlight Mr B had acquired the vehicle through a conditional sale agreement with Close Brothers Limited. Mr B was required to make the regular monthly repayments and at the end of the agreement, having made all repayments, he would then take ownership of the vehicle.

The monthly repayments of £333.08 were not therefore simply rental payments that would just cover the cost of use of the vehicle, in the same way as a more traditional hire agreement would have been. Some of the £333.08 would therefore be going towards the overall ownership of the vehicle, alongside any costs of usage. Mr B will now no longer own the vehicle at the end of the agreement as it is to be taken back by Close Brothers Limited.

It would not therefore in my view be reasonable in this instance to simply equate the monthly rental sum to a usage charge. I do however accept that Mr B has had use of the vehicle and it would therefore in my view be reasonable for Mr B to contribute towards that use he has had. Mr B has also had some enjoyment from the vehicle, as one would expect from a motor home, but I accept this enjoyment has been restricted or reduced by the vehicle not being of satisfactory quality.

There is unfortunately no exact formula for establishing a usage charge in these types of cases and the circumstances of every case will often differ and then impact any amount that would be reasonable in one instance, but perhaps not in another. I have considered the overall circumstances of this complaint, which includes what both parties have said about the usage and expected usage in the first year up to August 2021. And in my view Close Brothers Limited should refund an amount equivalent to half of the monthly rentals due from the start of the agreement up to August 2021 when it was first contacted.

This is in my view a fair amount to reflect the impaired use and enjoyment Mr B had from the vehicle over that time, along with considering what I have noted already above about some of Mr B's monthly payments originally intending to go towards his ownership of the vehicle.

There appears again to be no dispute about refunding the monthly rentals after August 2021 and as I have not seen anything to indicate Mr B had any real use or enjoyment after this time, I agree that all repayments should be refunded from August 2021. Interest, at 8% simple per year, should be added to each of the refunded payments from the date of each payment until the date of settlement.

Storage costs

Mr B has referred to having paid over £5,000 in storage costs, which were charged after the vehicle was left at the repair garage. From my understanding, Mr B was not instructed by Close Brothers Limited or the supplying dealer to take the vehicle there for the numerous repairs to be completed. I understand the garage may have been suggested by the

supplying dealership to deal with any recall issues but not the potentially more substantial issues with the accommodation part of the vehicle.

From what I have seen, it appears Close Brothers Limited was unaware of the storage costs building up, until they were already substantial and when the vehicle was to be recovered. Close Brothers Limited's case notes also appear to indicate that in communication with Mr B on 24 January 2023 Mr B was informed that Close Brothers Limited would not be responsible for meeting any storage costs. This was I understand before any storage costs had started to accrue.

I accept that Mr B was unhappy that repairs were not completed while the vehicle was at the repair premises and can understand why he may therefore have been reluctant to collect the vehicle. But even where the vehicle was found not to have been of satisfactory quality, Mr B would be required to try and mitigate where possible any additional costs or expenses. This would include storage costs and having considered the broader circumstances of this complaint, it would not in my view be reasonable to expect Close Brothers Limited to reimburse Mr B for the payment he made for the storage costs.

Additional expenses

Close Brothers Limited may be responsible for any additional reasonable costs or expenses that Mr B has incurred as a result of the vehicle not being of satisfactory quality. But for any additional sums to be considered in my final decision, I ask that when responding to this provisional decision Mr B provide details of any additional costs or expenses he has incurred and wishes to be considered as part of this complaint. Where possible, supporting documentary evidence, such as receipts or invoices, should be provided.

This might include any costs Mr B incurred from the independent inspection report and if so, Mr B should provide evidence of the cost and payment or invoice if it is yet to be paid.

Distress and inconvenience

Finally, I have considered what Mr B has set out in his complaint about the impact this has had on him. I have noted the length of time this has been going on, the significant efforts he has gone to trying to get the vehicle repaired and also dealing with this complaint. I have also noted Close Brothers Limited issued a default notice to Mr B and I am sure this would have been more troubling for Mr B on top of the distress and inconvenience he had already gone through.

I do not consider it necessary to refer to them specifically here but Close Brothers Limited will be aware from its engagement with Mr B that he has a neurological disorder and difference, and this is very likely to have made an already difficult issue much worse.

Considering the trouble and upset this has caused Mr B, I consider an amount of £500 to be a reasonable amount that Close Brothers Limited should pay Mr B on top of what I have already set out above.

My provisional decision

I fully appreciate the parties may not be entirely happy with the conclusions that I have reached here in this provisional decision. I am however satisfied, having considered all that the parties have provided, that this is a fair and reasonable outcome in all of the circumstances of this complaint.

To settle the complaint, Close Brothers Limited should:

- *Cancel the conditional sale agreement with nothing further owed by Mr B.*
- *Refund Mr B's deposit payment of £26,094.*
- *Refund half of the repayments Mr B made towards the agreement up to and including August 2021.*
- *Refund all of the repayments Mr B made towards the agreement after August 2021.*
- *Remove any adverse information, including any reference to the default notice, from Mr B's credit file.*
- *Subject to Mr B providing further details when responding to this provisional decision, refund any reasonable costs or expenses incurred.*
- *Pay Mr B £500 to reflect the trouble and upset this issue has caused.*

As set out above, interest should be added to all refunded sums and should be calculated at 8% simple per year from the date of each payment until the date of settlement.

I now invite both parties to provide any final submissions before I reconsider the complaint and issue my final decision.

Mr B's representative responded to the provisional decision and confirmed Mr B agrees and accepts the decision. The representative referred to Mr B incurring legal costs associated with bringing this complaint and offered to provide an invoice confirming the £550 plus VAT cost. A copy of the invoice for the vehicle inspection was also attached, as requested in my provisional decision.

The investigator shared a copy of the invoice with Close Brothers and invited any further comments about this. The investigator also explained to Mr B's representative that we are an accessible service that would not typically require legal assistance to bring a complaint. We would not usually therefore award legal costs incurred by consumers.

Close Brothers responded to the provisional decision and confirmed it accepted the reimbursement of the inspection report costs. Close Brothers asked that the usage charge be reconsidered and referred to our standard process of reimbursement, along with an offer to supply a number of case studies where this process has been implemented.

Close Brothers also referred to the increased award for the inconvenience caused to Mr B by this issue and asked me to consider that this would have been minimised if the inspection report had been provided sooner. Close Brothers noted that had the inspection report been presented sooner it would have supported the unwinding of the agreement.

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 have come to the same overall conclusions as set out in my provisional decision for what are broadly the same reasons.

I would firstly like to thank both parties for taking the time to consider and respond to my provisional decision.

Close Brothers has agreed to reimburse Mr B the £1,950 inspection cost, so I need not refer to that in more detail here. Other than to remind Close Brothers to include interest on the amount Mr B paid from the date of payment until the date of settlement.

Close Brothers has referred to the change in usage charge in my provisional decision and asked that this be reconsidered in line with our service's standard process. I can assure

Close Brothers that when determining this part of the award I very much had in mind the general approach our service takes in similar cases like this.

There are many similarities between cases, but there are also differences and these may result in some awards not exactly mirroring others. This does not however demonstrate an inconsistent approach to usage charges or redress, but merely reflects the individuality of the cases.

The specific circumstances of Mr B's case have been considered here, including the fact this is a motorhome not a car and therefore usage will be lower, what Mr B's intended usage was, the fact this was at the same time as the covid lockdown and other factors. Having reconsidered the specific circumstances here I remain satisfied the usage charge and amount Close Brothers should refund in this case is reasonable.

Similarly, the individual circumstances of this complaint were considered when determining the award for the distress and inconvenience Mr B has been caused. The timing of the inspection report was a consideration in making my proposed award and having reconsidered this, I remain satisfied the proposed sum is reasonable.

Finally, I have considered Mr B's representative's request for reimbursement of the £500 (plus VAT) legal costs Mr B has incurred. As the investigator has set out, our service is free, easy to use and accessible to consumers and intended so consumers do not need to obtain legal assistance to bring their complaints. Mr B is of course free to seek legal advice if he chooses, but he could have brought his complaint to our service without incurring those costs. I do not therefore consider it reasonable to instruct Close Brothers to reimburse Mr B for those costs.

Putting things right

I have come to the same conclusions as set out in my provisional decision about the outcome of this complaint and what would be a fair and reasonable way to settle the complaint. If it has not done so already, Close Brothers should now,

- Take back the vehicle and cancel the conditional sale agreement with nothing further owed by Mr B.
- Refund Mr B's deposit payment of £26,094.
- Refund half of the repayments Mr B made towards the agreement up to and including August 2021.
- Refund all of the repayments Mr B made towards the agreement after August 2021.
- Remove any adverse information, including any reference to the default notice, from Mr B's credit file.
- Reimburse Mr B the £1,950 inspection cost.
- Pay Mr B £500 to reflect the trouble and upset this issue has caused.

Interest should be added to all refunded sums and should be calculated at 8% simple per year from the date of each payment until the date of settlement.

If settlement is not completed within 28 days of Mr B accepting this final decision, interest at the same rate should be applied to the £500 payment.

My final decision

My final decision is that I uphold Mr B's complaint against Close Brothers Limited and the complaint should be settled in accordance with what I have set out above in the putting things right section of this final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 April 2025.

Mark Hollands
Ombudsman