

The complaint

Miss D is unhappy with the quality of a car supplied by Close Brothers Limited using a conditional sale agreement

What happened

In November 2023, Miss D entered into a conditional sale agreement with Close Brothers for a used car. The car was around eight years old and had been driven for 79,912 miles. The cash price was £19,611.39.

Miss D has provided evidence that she first started to have concerns with the car's oil consumption in January 2024. She has shown that she had to replace the car's oil frequently from this time. She also reported issues with the suspension, rear window, and headlight.

In February 2024 Miss D took the car to a specialist garage. They said there was an oil leak and they thought there was a problem with the engine. Shortly after, the dealer undertook some repairs to the thermostat and the pipe going to the turbo. They also said they couldn't find anything wrong with the oil consumption.

Unhappy with the number of times she had to replace the oil, Miss D asked to return her car to the dealer. They said they wouldn't allow this because they thought the oil consumption was because of the amount of miles Miss D was driving the car for. They said they had taken it to two garages who couldn't find a problem and that it wasn't uncommon for a car of this type to need the oil replacing frequently.

Unhappy with the dealer's response, Miss D complained to Close Brothers who organised for an independent inspection to take place. This report said that the car was faulty but because it had been driven 7,314 miles since Miss D acquired it, they didn't think the problems were present or developing at the point of sale. So, Close Brothers said they couldn't allow a rejection to take place as they didn't think the car was of unsatisfactory quality at the time of sale.

Dissatisfied with Close Brothers response, Miss D brought her complaint to our service. One of our investigators looked into things and said they didn't think Close Brothers had done anything wrong in not allowing the rejection to take place. She said she thought the issues with the car didn't mean it was of unsatisfactory quality when it was supplied.

Miss D disagreed with the investigator's findings, so the case was passed to me to review.

I sent Miss D and Close Brothers my provisional decision on this case, on 1 June 2025. I

explained why I think the complaint should be upheld. A copy of my provisional findings is included below:

Miss D acquired her car using a conditional sale agreement and so The Consumer Rights Act 2015 is the relevant legislation for this complaint. The Act sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of

satisfactory quality. Satisfactory quality is essentially based upon what a reasonable person would consider to be satisfactory. In instances like this when considering the quality of a car, the age, mileage and price are some of the things that I think would be considered to be reasonable to take into account.

If the purchased goods are found to be defective after 30 days but within six months, then the supplier must be given one opportunity to repair or replace the goods.

I've considered that the dealer said that they couldn't find an issue with Miss D's car leaking oil. They also said they think frequent oil changes were a characteristic of a car of this age and mileage.

The specialist garage Miss D asked to look at the car in February 2024 said that they found an oil leak. And the independent inspectors report which took place in April 2024 also found an oil leak but said further checks were needed to establish the root cause. Miss D has also sent evidence showing she kept paying to get the oil topped up. And so, with all this in mind, I'm persuaded that there was an issue with the car's oil consumption.

I've gone on to think about whether a reasonable person would consider this a reason that the car wasn't of satisfactory quality. In doing this I've considered its age, price and mileage. I know that Miss D has driven the car for more miles than average. However, I'm not persuaded that this alone would cause her to have to change the oil as much as she did.

The independent inspection report said that it didn't think the problems it identified were present at the time of sale. But it gives the reason for this as the car being in Miss D's possession for several months and the miles it had been driven since it was acquired. I can't see any evidence to show the inspector was told when Miss D first reported issues with the oil consumption. And so, on balance, I don't find its account on the car's quality at the time of supply persuasive.

Overall, I don't think a reasonable person would've expected to have to change the oil as frequently as Miss D had to, considering the amount she paid for her car. And I think it's likely that these issues were present or developing at the point of supply because Miss D reported them to the dealer a month and a half after acquiring the car. So, with all this in mind, I don't think Miss D's car was of satisfactory quality at the time of sale.

As there has been a breach of contract under the CRA, the supplier must first have an opportunity to repair the car. I've noted that the dealer has had the opportunity to inspect and repair any issues when it carried out repairs in March. The independent inspection report in April confirmed there is still an oil leak present, and so, I think the correct remedy under the CRA is for Miss D to now be allowed to reject the car.

In rejecting the car, Close Brothers should unwind the agreement so Miss D has nothing further to pay and collect the car at no further cost to her. As part of this, they should remove any adverse information from the details held with the credit reference agencies.

They should also refund the deposit she paid of £1,000. And they should reimburse her the £102 she paid for the report from the specialist garage.

Close Brothers should pay 8% simple interest on these amounts from the date Miss D paid them to the settlement of this complaint. This is because Miss D has been without use of these funds.

I can see that Miss D reported problems with the car's oil consumption multiple times to the dealership. And as already explained, I think the evidence suggests this is a problem which

is present with the car. I think it would have been frustrating and caused a financial strain for Miss D to have to top up the oil more than what was needed. I don't know how much extra she spent topping up the oil more regularly than she needed to. But I'm persuaded that because the oil consumption is related to the quality of the car, Miss D was having to fill it up more than she otherwise would have. And because of this, I think Miss D would have had to spend more on oil compared to if the car was working as it should.

Miss D has also had the inconvenience and stress of having to take her car for numerous repairs and inspections. She also had the stress of arranging for a report to be carried out on the car. I can understand why Miss D would've found all that has happened frustrating. And because of all of this, I think Close Brothers should pay Miss D £300. I think this amount acknowledges the distress and inconvenience she would've experienced as I've previously explained.

Miss D replied to the provisional decision saying she has now part exchanged the car. She also explained the impact having a car that she didn't feel was safe had on her. She says her experience negatively impacted her mental health and that she limited use of the car because she didn't feel safe using it, especially with her daughter as a passenger.

Close Brothers didn't send any further comments by the response deadline in the provisional 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.

Miss D no longer has her car as she has part exchanged it, this means Close Brothers can't take it back and there is no longer the option of Miss D rejecting it. However, I've considered that as a result of the part exchange, Miss D cleared her outstanding finance, essentially paying off the cash price of the car. And so, I still think it is appropriate for Close Brothers to refund the £1,000 deposit Miss D paid on her original agreement.

As Close Brothers didn't respond, and taking into consideration what Miss D has said, my thoughts remain the same as the conclusions I reached in my provisional decision.

Putting thing right

My final decision is that Close Brothers Limited should:

1. Refund £1,000 for the deposit Miss D paid;
2. Reimburse Miss D the £102 she paid for the specialist garage report;
3. Add interest at a rate of 8% a year simple to parts one and two of this settlement from the dates they were paid, to the date of settlement of this complaint.*
4. Pay Miss D £300 for the distress and inconvenience she has experienced.

*Close Brothers must pay these amounts within 28 days of the date on which we tell them Miss D accepts my final decision.

If Close Brothers deducts tax from any interest they pay to Miss D, they should provide her with a tax deduction certificate if she asks for one, so she can reclaim the tax from the tax authorities if appropriate.

My final decision

My final decision is that I uphold this complaint and Close Brothers to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 20 June 2025.

Ami Bains
Ombudsman