DRN-5787087

The complaint

Miss M complains about the quality of a used car she acquired with finance provided by Close Brothers Limited (trading as Close Brothers Finance) (CB).

Miss M is represented by a relative but I'll refer to everything that's been said on her behalf as if she said it herself, to keep things simple.

What happened

Miss M acquired this car in March 2023 under a conditional sale agreement (CSA) with CB. She had problems with a brake caliper shortly after supply and a local third party garage (TPG) replaced some parts in April 2023. Further issues appeared and the TPG fitted a new oil cooler and cleaned the system in July 2023. Miss M contacted CB and then the supplying dealer, in September 2023, to say she was still having problems. She had no response from the dealer and emailed again in November 2023 stating that the car had a burning smell and it was using too much coolant. The dealer didn't resolve things and Miss M contacted CB in the summer of 2024 to complain that the car was of unsatisfactory quality.

CB arranged for an independent expert to inspect the car in October 2024. He identified faults present that he thought were likely connected to repairs undertaken by the TPG. He concluded that these issues would not have been there when the car was supplied to Miss M and it was of satisfactory quality at the outset.

CB rejected Miss M's complaint and she referred the matter to our service. One of our investigators considered the evidence and she did not recommend the complaint should be upheld. The investigator found the expert's conclusions were persuasive and the car was likely of satisfactory quality at the point of supply. She was satisfied the repairs were not authorised by the dealer or CB and she couldn't reasonably require CB to do anything further.

Miss M disagreed. She took the car back to the TPG for further tests that indicated the head gasket has failed. She remains of the view the car was faulty at the outset and she asked for an ombudsman to review the matter.

Having considered the evidence available, I wasn't minded to uphold this complaint. My reasons weren't quite the same as the investigators however and I thought it was fair to let the parties see my provisional findings and comment (if they wanted to) before I made my final decision.

I issued a provisional decision to the parties on 24 July 2025. I've set out what I decided provisionally - and why - below (in italics) and this forms part of my final decision.

My provisional decision

Miss M brings her complaint to our service because she acquired this car with a CSA and I'm satisfied that CB, as the vehicle's supplier, is responsible for ensuring the car was of satisfactory quality when it was supplied (under the Consumer Rights Act 2015) (CRA).

The quality of goods includes their general state and condition as well as other things like fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability. What amounts to "satisfactory" quality will vary depending on individual circumstances and goods need to meet the standard that a reasonable person would consider "satisfactory".

It's generally reasonable to take a vehicle's age, cost and mileage at the point of supply into account in this situation. This car was about 13 years old with over 87,000 miles on the clock and cost just under £4,000. As such, I think a fair person would appreciate there was likely to be some wear and tear present and parts would need to be replaced, sooner or later – which is reflected in the lower price paid for a used car, compared to a brand new vehicle.

There seems to be no dispute that the car has faults present now. In order for me to hold CB liable I would have to be satisfied however that it is more likely than not these issues were present when the car was supplied to Miss M.

Miss M took delivery of the car in March 2023 and I can see there was a problem within a few weeks - after she'd driven about 1,000 miles or so. She contacted the supplying dealer – located some distance away – and they suggested she have it checked by a breakdown service. That service thought the issue was a brake caliper and Miss M took the car to the TPG where this part was replaced.

The £150 cost of this repair was met by a warranty and I've got nothing to suggest Miss M was out of pocket. I haven't seen a copy of that warranty but it's not unusual for a supplying dealer to provide a three month warranty free of charge in this situation and I think that's what probably happened here. The repairs undertaken seem to have resolved the issue satisfactorily. I've got no reason to think this issue is connected to things that went wrong later.

Miss M had more trouble with the car in July 2023 and she took it back to the TPG. The car had nearly 90,000 miles on the clock at this stage, so she'd been able to travel just under 3,000 miles since supply. I've seen an invoice for work carried out by the TPG that shows a new oil cooler was fitted with associated parts and the system was cleaned. The paperwork doesn't suggest that the TPG thought there might be an issue with the head gasket at this time.

Miss M paid £480 for these repairs, as the warranty had expired, and she contacted CB in August 2023 to say she was unhappy with the car. CB suggested Miss M should contact the supplying dealer and call back if she wanted to raise a complaint. I've seen an email Miss M sent to the supplying dealer in September 2023. It looks as if she received no reply and she emailed the dealer again in November 2023 indicating she could smell burning and the car was using too much coolant so she was going to complain to CB.

I'm not sure what happened over the next few months but the evidence I've got suggests Miss M didn't get in touch with CB again until the following summer. She raised a complaint in August 2024 reporting the engine was running out of coolant and coolant could not get to the radiator which was causing issues including high temperatures, there was an oil leak under the cam belt and suspected head gasket failure.

This was more than a year after the car was supplied and CB arranged for an independent expert to inspect. I think that was fair in the circumstances. The expert carried out his inspection in October 2024, by which time the car had accrued over 94,000 miles. I have considered his report carefully.

In summary, the expert found fault codes that indicate engine coolant flow was insufficient *and a problem with the crankshaft position sensor performance. There was evidence of an oil leak from the water pump area and leaking coolant which appeared to be bubbling out of the expansion tank. The expert thought this might be due to the thermostat being shut or damage to the hose from the thermostat to the radiator (which was twisted and kinked) or possibly an incorrect hose had been fitted. The expert was unable to carry out a combustion leak test, to check if the head gasket had failed, because of the damaged hose. He was satisfied, in any event, that the faults found would not have been present or in development at the point of supply. He thought these were likely the result of unsuccessful repairs undertaken after sale, which should be rectified by the repairer.*

Miss M took the car back to the TPG and I've seen a (partial) what's app message and an invoice from February 2025 that suggests they undertook more investigations (as a goodwill gesture) after the expert's inspection. The TPG seems to have checked the thermostat and found nothing wrong and replaced the damaged pipes identified by the expert so that additional tests could be undertaken that revealed a fault with the head gasket. I don't think this is at odds with the expert's findings.

I've seen nothing to indicate that the TPG thought there might be an issue with the head gasket when the car was checked and repairs were undertaken in July 2023 – which suggests this issue wasn't present then. Likewise I'd expect the TPG to have noticed then if the car was leaking oil or coolant for some other reason (aside from the parts repaired) and mentioned this to Miss M at the time. I appreciate Miss M says the car continued to be troublesome after these repairs but she was able to drive it approximately 4,000 miles after that – and some 7,000 miles since supply. I'm minded to find it unlikely she would have been able to do so if the faults currently present were there at the outset.

I can't be certain what went wrong with this car. Like the investigator, I think it's reasonable to give some weight to the expert's opinion in this situation. I'm satisfied he is independent and he seems to have relevant expertise and experience. I think the report provided is fairly detailed and his conclusions make sense. I find it likely the expert's conclusions are correct and the current faults developed after supply. In light of these provisional findings, I'm not presently persuaded this car was of unsatisfactory quality when Miss M got it - which means I can't fairly hold CB liable or require it to do anything further.

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 invited the parties to consider my provisional findings and provide further evidence or submissions if they wanted to. I'm satisfied the time allowed for responses has now passed. CB has not objected to my provisional findings. Miss M disagrees with my provisional decision. She says (in summary):-

- the independent expert could not check the head gasket as pipes were suctioned closed and the sensor wasn't working so she took the car back to the garage and had the sensor and pipes replaced and subsequent tests have confirmed the problem is the head gasket;

- she recognises this is an older car with wear and tear but it must be fit for purpose under the CRA and last a reasonable amount of time and she feels it is unfair to have to pay so much for repairs so soon after supply;

- the mileage has only increased because she was consistently going back and forth to the garage for repairs, the car hasn't been driven now for 18 months due to faults and she was told not to drive by CB as she would be liable if the mileage increased;

- the dealer did not respond when she complained in September and November 2023, when she could have exchanged the car, and CB also had problems getting hold of the supplying dealer;

- she's required to maintain the car under the finance terms so she had to have it repaired but she has now been left to pay for an undriveable car, she has never missed a payment but cannot afford to continue and she has become isolated which is affecting her mental health.

I am very sorry to hear that Miss M has been unwell and she's experienced further distress and financial issues because of what's happened. If she's still having financial problems she may find it helpful to contact a free source of money advice. Our investigator can provide more information about that if she'd like it. I also remind CB of its obligations toward borrowers who are experiencing financial difficulties.

I want to thank Miss M for her response and assure her that I've thought carefully about everything she's said and sent to us. I'm satisfied that I've addressed most of her points already in my provisional findings and nothing that she's said in response to my provisional decision has persuaded me to change my mind. For the reasons I've given already, I'm not satisfied that there are sufficient fair and reasonable grounds to uphold this complaint. On balance overall, I'm unable to reasonably find it's likely this car was of unsatisfactory quality when it was supplied and I can't fairly hold CB liable or require it to do anything further.

I realise this is not the outcome Miss M hoped for and I'm sorry to disappoint her. She's not obliged to accept my decision, in which case it remains open to her to pursue the matter by any other means available.

My final decision

For the reasons given above, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 29 September 2025.

Claire Jackson
Ombudsman