

The complaint

Mrs K complains that the van she acquired through Close Brothers Limited, trading as Close Brothers Motor Finance ("CBL") wasn't of satisfactory quality. She wants CBL to reimburse her costs, repair the van, and compensate her for the time she's lost.

What happened

Mrs K entered a conditional sale agreement in April 2022 to acquire a used van. At the time of acquisition, the van was more than six years old and had been driven 60,000 miles. The cash price of the van was £14,995, and after taking account of Mrs K's advance payment, the total credit provided was £13,495.50. The agreement was set up over a term of 60 months, with monthly payments of £302.87, meaning that if the agreement ran to term, the total amount repayable would be £19,671.70.

Mrs K told us:

- Since she purchased the van, it keeps breaking down, and has been going in and out of the garage on a regular basis, and she doesn't think the van was roadworthy at the point of sale;
- When it first broke down, CBL offered to refinance a replacement van, but she managed to get it repaired;
- She's still paying for the van but can't use it at the moment because it's broken down again and she's had to take it off the road;
- She didn't sign the credit agreement – the signature isn't hers;
- She wants CBL to ensure her van is working, refund her the costs she's incurred, and compensate her for the time she's lost and the distress she's experienced.

CBL rejected this complaint. It said that because more than 12 months had elapsed since it supplied the van, it couldn't accept that any of the problems with the van were present or developing at the point it was supplied. And without further supporting evidence, it couldn't support Mrs K further. And CBL said that the credit agreement was signed electronically in 2022 using docu-sign, and a code was sent to Mrs K on her mobile so that the documents could be signed electronically whilst she was in the supplying dealership.

Our investigator looked at this complaint and said there were some aspects to it that this Service could not consider – the complaint points were out of jurisdiction. She explained that the things Mrs K complained about in 2022 were investigated by CBL at that time. She noted that CBL issued its *final response letter* on 23 June 2022 and rejected Mrs K's complaint. In that correspondence, CBL provided Mrs K with referral rights to this Service and explained that she only had six months in which to bring a complaint to us.

Our Investigator explained that Mrs K needed to refer that complaint to this Service by 23 December 2022. But, because she didn't bring a complaint to this Service until 2025, she was out of time, and we couldn't look at the points she'd complained of in 2022.

For the other complaint points, our Investigator said she didn't think they should be upheld. She said she accepted there were problems with the van but – given the time Mrs K had

been in possession of it, and the mileage she'd driven – she'd seen no evidence that explained the root cause of the problems, or that the problems complained of were present or developing at the point of supply. And, in view of the age of the van, it was more likely than not that the faults were simply a result of normal wear and tear.

She also noted that from the date of some of the repairs, Mrs K appeared to have been able to drive the van for a further two and half years and cover an additional 30,000 miles – so the repairs at that time adequately resolved the issues. In summary, there was no evidence to support the van not being fit for purpose and durable at the point it was supplied.

And although Mrs K had complained about the financial difficulty she now faced, she hadn't raised her complaint about this with CBL. Our Investigator explained that this Service cannot investigate a complaint unless the business – in this case CBL – has had the opportunity to investigate the matter first of all. And she helped Mrs K raise her complaint with CBL.

Mrs K disagrees so the complaint comes 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.

Having done so, I agree with our investigator – I don't think this complaint should be upheld – but before I explain why, I'll explain to Mrs K why I can't look at certain aspects of her complaint.

Mrs K complained about some things in 2022. And CBL issued its response on 23 June 2022. The rules applying to this Service say that – where a business doesn't agree – I can't look into a complaint if it's been referred to us more than six months after the business sends the consumer its *final response letter*, telling them they can refer their complaint to us. This is Dispute Resolution rule 2.8.2R(1) – and it can be found online in the Financial Conduct Authority's handbook of rules and guidance.

I should explain that the term "*final response*" has been given a specific meaning in the DISP rules. A final response is a written response from the business which does the following:

*"1(a) accepts the complaint, and, where appropriate, offers redress; or
2(b) offers redress without accepting the complaint; or
3(c) rejects the complaint and gives reasons for doing so;*

and which informs the complainant that, if she remains dissatisfied with the firm's response, she may now refer her complaint to the Financial Ombudsman Service and must do so within six months".

CBL issued its final response on 23 June 2022, so Mrs K had until 23 December 2023 to refer these matters to this Service. But she didn't do so until 2025, so I conclude any complaint about these matters was referred to us out of time under the rules I have to apply.

I can consider the complaint points Mrs K raised with CBL in 2024 and 2025 as they were referred to us in time.

When looking at these I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the conditional sale agreement entered into by Mrs K is a regulated consumer credit agreement, this Service is able to consider complaints relating to it. CBL is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the van *supplied* to Mrs K was of satisfactory quality or not.

CBL supplied Mrs K with a used van – it was six years old and had been driven around 60,000 miles – so the price of the van was lower than it would've been if it had been supplied new. Because of this I think it's fair to say that a reasonable person would expect that parts of the van might've already suffered wear and tear. And there'd be a greater risk in the future that this van might need repairs and maintenance sooner than a van which wasn't as road-worn when supplied.

I don't think there's any dispute that Mrs K has experienced problems with the van - that has been well evidenced by both her testimony and the evidence she's sent us. But just because Mrs K has had problems with the van, and things have gone wrong, it doesn't necessary follow that the van supplied to Mrs K wasn't of satisfactory quality.

CBL would only be responsible for putting things right if I'm satisfied that these issues were present or developing when the van was supplied – that is to say, the van wasn't of satisfactory quality when Mrs K acquired it in 2022. But I simply haven't seen anything, for example, an independent engineer's report, that shows me what these faults are; what caused them; and whether these faults were present or developing when the van was supplied to Mrs K.

So, in the absence of an independent engineer's report showing otherwise, then considering all the relevant circumstances, I'm simply not persuaded that Mrs K's van was of unsatisfactory quality when supplied. And because of this, I can't hold CBL responsible for the problems Mrs K has experienced with it.

I know Mrs K will be disappointed with the outcome of her complaint, but I hope she at least understand why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 21 November 2025.

Andrew Macnamara
Ombudsman