

The complaint

Mrs G complains that the settlement offered by Close Brothers Limited trading as Close Brothers, following her rejection of a vehicle for being of unsatisfactory quality, was unfair.

Mrs G has been assisted in bringing her complaint to this service, but for ease of reference I will only refer to Mrs G in my decision as the agreement was between her and Close brothers Limited.

What happened

In April 2025 Mrs G entered into a four-year conditional sale agreement with Close Brothers for a used van.

Within a short time of acquiring it, Mrs G experienced issues with the van. There had been an additional security lock added to the backdoors for which no keys had been provided by the dealer and, on returning home, she discovered she couldn't access the back of the van due to this lock. Later Mrs G also discovered that the spare tyre was flat and badly rusted and the battery had gone flat. She said the vehicle was unusable and was concerned about its condition and safety.

Mrs G complained to the dealer, but she says they offered no support. Mrs G then complained to Close Brothers and requested she be able to use her short-term right to reject the vehicle as per the Consumer Rights Act 2015 (CRA).

Close Brothers investigated Mrs G's complaint and contacted the dealer who disputed that the van wasn't of satisfactory quality. During the investigation, Close Brothers told Mrs G not to drive the vehicle. Mrs G left the van on her drive and maintained the insurance policy on it. Once she had received the vehicle's V5 she contacted the DVLA had the van SORN. Mrs G raised the ongoing costs of the insurance and of the road tax with Close Brothers.

In June 2025, after Close Brothers had upheld Mrs G's complaint and agreed that the vehicle could be rejected, it was collected from Mrs G's address. Close Brothers said it would also reimburse Mrs G her deposit and two months of payments made under the agreement together with a payment of £200 as compensation for having to deal with the faulty vehicle. It said it wouldn't reimburse the insurance and road tax costs incurred by her as these were things Mrs G was contractually obliged to have in place.

Mrs G was unhappy at the payment offered by Close Brothers as a resolution to her complaint. She said that due to the faulty van she had incurred additional travel costs and had had to pay for insurance and road tax on a van she couldn't use. Mrs G also said she thought the compensation was inadequate to reflect all the inconvenience and stress caused to her. Mrs G made a complaint to this service.

Our investigator partially upheld Mrs G's complaint. He said he thought that the compensation amount together with the reimbursed monthly payments was fair and reasonable. However, our investigator said he thought it would be fair for Close Brothers to reimburse Mrs G for the cost of the insurance policy taken out on the van for the period

when she had been told not to use it until it was collected from her. He said this insurance policy had been for the benefit of Close Brothers as it protected the vehicle. Our investigator also thought it was fair for Close Brothers to reimburse Mrs G for the cost of the road tax she had paid on the vehicle again for the period when she had been told not to use the van until it was SORN.

Close Brothers has disagreed with our investigator's view as it says both the insurance and road tax are the contractual obligations for Mrs G to have in place. It also says that the insurance policy provided protection to Mrs G should anything have happened to the vehicle while in her possession. Close Brothers requested that an ombudsman review this complaint and so it has been passed to me.

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.

It isn't disputed here that the van wasn't of satisfactory quality and that Mrs G was entitled to hand it back under her short-term right of rejection that is within 30-days of acquiring it. I therefore don't need to comment further on the condition of the van.

I've seen that the dealer originally disputed the quality of the van with Close Brothers meaning that Close Brothers' investigation took a little time, but I accept its enquiries were within the time limits set for it to reach a decision. Looking at how Close Brothers handled Mrs G's complaint. I think it acted reasonably and didn't cause any unnecessary delays in reaching a resolution.

I also think that Close Brothers' request to Mrs G not to use the van in case any ongoing faults caused damage was reasonable. Mrs G, quite correctly, has abided by that request and not used the van.

As Mrs G had a right to return the van and end the conditional sale agreement, then she should be put back in the position she would have been in had she not acquired it. So, this would include the reimbursement of her deposit, and, due to the lack of use, the two monthly payments made under the agreement. Mrs G has in addition raised the additional travel costs she incurred in terms of petrol use, but she would always have had travel costs regardless of whether she had the van, so I don't think it's fair to ask Close Brothers to pay those.

Mrs G has said she thinks £500 compensation would be fair, but part of that was due to the inconvenience that was caused to her partner. However, as the conditional sale agreement was with Mrs G only, then I can't reasonably ask Close Brothers to recognise any impact that was felt by someone else in the household as it doesn't have a relationship with them. And while I appreciate having to deal with the faulty van and make alternative travel arrangements would have been distressing and inconvenient for Mrs G, I agree with our investigator that £200 is fair and reasonable in recognition of that. I'm not asking Close Brothers to pay any additional compensation.

However, when looking at the van insurance and road tax costs, I do think Close Brothers should do more. Although I accept having both of these was a contractual obligation for Mrs G (they are part of the terms and conditions of the conditional sale agreement), these were costs she incurred from which she did not really benefit as she wasn't able to use the van.

The van was stored on Mrs G's driveway, and I've seen that as soon as she was able to mitigate the road tax costs, she had the vehicle SORN. Mrs G will therefore be able to claim

a refund of the road tax costs from that point from the DVLA. But I think being reimbursed the cost of the road tax from the point Mrs G was told not to drive the van until the point it was SORN is fair. Mrs G will need to provide proof of the date the SORN was obtained for Close Brothers.

In regard to the van's insurance, while I appreciate Mrs G had the benefit of being protected against any claims should it have been damaged, I think it's fair to balance that against her right of short-term rejection and that she had also been told not to use it. Mrs G had the entitlement to hand the van back within the first 30 days and while this inevitably and reasonably took time to sort out, that wasn't something Mrs G had any control over. I think it was Close Brothers who had the greater benefit of the van being insured. And in order to put Mrs G back in the position she would have been in had the agreement not been taken out, then this cost should be reimbursed from the point Mrs G was told not to use the van until it was collected. I'm also satisfied that although this policy was in someone else's name with Mrs G as the named driver that she actually paid for it as per the proof of payment that's been provided, meaning the loss is hers.

For the reasons given above, I'm partially upholding Mrs G's complaint.

Putting things right

I'm asking Close Brothers to do the following:

- To refund of cost of the insurance for the van from the point Mrs G was told not to use the vehicle until it was collected (proof of the policy having ended to be provided by Mrs G).
- To refund the road tax from the point Mrs G was told not to use the van until the vehicle was SORN (proof of when the SORN was obtained to be provided by Mrs G).
- To pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- To remove any adverse information from Mrs G's credit file in relation to this agreement.

My final decision

For the reasons set out above, I'm partially upholding Mrs G's complaint. I'm asking Close Brothers Limited trading as Close Brothers to do the following:

- To refund of cost of the insurance for the van from the point Mrs G was told not to use the vehicle until it was collected (proof of the policy having ended to be provided by Mrs G).
- To refund the road tax from the point Mrs G was told not to use the van until the vehicle was SORN (proof of when the SORN was obtained to be provided by Mrs G).
- To pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- To remove any adverse information from Mrs G's credit file in relation to this agreement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or

reject my decision before 11 February 2026.

Jocelyn Griffith
Ombudsman