

The complaint

Mr S complains about payments he made towards a credit agreement he held with Close Brothers Limited (“CBL”) which he thinks should be refunded.

What happened

In October 2024, Mr S took out an insurance policy with a third-party insurance provider. To pay for the policy, Mr S took out a credit agreement with CBL to spread the cost of it over monthly instalments, rather than paying for it in a lump sum. The policy was to ensure a van.

Later, Mr S wanted a change of address processed, which was declined. Mr S was also told by the insurance provider that his policy would be cancelled.

Among other things, Mr S said he was unhappy as CBL continued to take the monthly instalments that was due under the agreement. And so, Mr S complained to them.

Two payments were made by Mr S to CBL – one in October 2024; and another in November 2024. The December 2024 wasn’t made as the direct debit instruction with CBL had been cancelled.

CBL issued their final response to Mr S in January 2025 and explained that they didn’t uphold his complaint. In summary, they explained that they would only refund any payments made under the instruction of the broker and they hadn’t received any instruction to do so. They also explained that the agreement was set up with an address provided by the broker.

Unhappy with CBL’s response, Mr S referred his complaint to our service in February 2025.

Our investigator initially upheld the complaint. In summary, he thought it would be fair for the two payments Mr S made to be refunded as well as to refund or waive a missed payment fee.

Mr S accepted the investigator’s view. But CBL didn’t. CBL clarified that the policy remained in place until January 2025. So, they thought the payments collected were valid. CBL also said a missed payment fee hadn’t been charged to Mr S.

Our investigator issued a further view where his opinion had changed. As the policy the agreement funded was cancelled in January 2025. The investigator thought S had the benefit of an active policy during the time he had made payments. And solely considering the actions of CBL, who didn’t receive any notification the policy had been cancelled, or that payments should have stopped earlier, the investigator concluded that it wouldn’t be fair for them to refund payments made.

Mr S disagreed and said that he was unhappy that the agreement was set up under an incorrect address. Among other things, the investigator explained that CBL relied on details provided to them by the broker and didn’t think they had done anything wrong.

As Mr S disagreed with the investigator’s outcome, the complaint was passed 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'm not upholding this complaint and I'll explain why below.

Mr S complains about a running account credit agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity. So, I'm satisfied I can consider Mr S's complaint about CBL.

It's worth noting that my role here is to consider the actions of the credit provider, and not the insurance provider or broker. CBL is not involved in the administration of the insurance policy. So, I can only consider whether CBL has acted fairly in their role of providing credit to Mr S, which in turn has financed Mr S in taking out an insurance policy.

In this instance, Mr S made two payments towards his agreement with CBL. At the time payments were made by Mr S, the policy Mr S held with the insurance provider was active. However, Mr S thought it had been cancelled.

My understanding is that Mr S had raised a separate complaint against the broker. Among other things, they accepted that the policy should have been cancelled sooner.

I appreciate that Mr S believed the policy had been cancelled. But as I've already explained, my role is to consider CBL's actions in relation to this. CBL has confirmed that they didn't receive any notification that the policy had been cancelled at the time, or that payments needed to stop.

Considering the above, I don't think CBL is at fault for the policy only being cancelled in January 2025. And so, I can't fairly say that CBL needs to refund these amounts to Mr S as they hadn't done anything wrong and the policy was active at the time. If Mr S feels he should receive his two repayments back, I suggest he gets in touch with the insurance provider or broker.

Mr S complained that he thought an incorrect address was applied to the credit agreement. On the other hand, CBL has explained that they rely on insurance brokers obtaining accurate information upon setting up a credit facility and acted in good faith based on the information they received from the broker. I think CBL had acted reasonably in the circumstances.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Close Brothers Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 March 2026.

Ronesh Amin
Ombudsman