

The complaint

Mr H complains about a misrepresentation made in relation to a car supplied to him using a conditional sale agreement taken out with Close Brothers Limited trading as Close Brothers Motor Finance (“Close Brothers”).

What happened

In October 2023, Mr H acquired a used car using a conditional sale agreement with Close Brothers. The car was over ten years old, the cash price of the car was £7,950, the agreement was for 60 months, made up of regular, monthly repayments of £179.46. The advance payment recorded on the agreement was £1,000. The mileage of the car was 63,663 miles.

In May 2024, Mr H was intending to sell the car. He said during this time he was made aware by a potential buyer that the car had previously been stolen and recovered. He was directed to the third-party salvage auction site where the car was sold. The website, within a section called, “*Salvage Details*”, said the sale date was 20 September 2019, and its category was “*Stolen/recovered*”. There was also a description given that said, “*Damage to this vehicle is rear end and minor dents/scratches.*”.

Mr H said that this made it difficult for him to sell the car and believed it is now worth less than he thought it would have been. Mr H said he wasn’t told about the car’s history and believed that if he was told so by the supplying dealership, then he wouldn’t have entered into the agreement with Close Brothers.

Mr H complained to Close Brothers who issued their final response to him in January 2025. Close Brothers explained that they didn’t uphold Mr H’s complaint. In summary, they said they had reviewed the information Mr H gave to them. And they also reviewed the checks carried out by the supplying dealership at the point of supply, which were for current markers, such as stolen markers, write-off markers, plate changes, or finance markers. They explained that there was no obligation on the selling dealership to have undertaken further checks and Mr H was free to do so if he wished to. As the issue hadn’t impaired Mr H’s use of the car, they also didn’t think there was a satisfactory quality issue with the car.

Unhappy with Close Brother’s response, Mr H referred his complaint to our service towards the end of May 2025.

Our investigator upheld Mr H’s complaint. She thought that the supplying dealership ought to have been reasonably aware of the car’s history, given the ease potential buyers have been able to obtain that same information. And so, she thought that it should have been disclosed to Mr H when he decided to acquire the car. The investigator went on to explain what she thought Close Brothers needed to do to put things right.

Mr H accepted the investigator’s outcome. Close Brothers disagreed with the findings the investigator had made. They explained that standard industry checks were completed at the time and that they didn’t indicate that the car had been stolen or had a salvage history. They said that it wasn’t information available to them at the time through the checks they relied on.

Close Brothers asked for evidence that Mr H had been unable to sell the car and that it has depreciated in value, as he said it had. The information was requested from Mr H and subsequently sent to Close Brothers.

As Close Brothers disagreed with the investigator, the complaint was passed to me to decide.

I issued a provisional decision on 18 November 2025 where I explained why I didn't intend to uphold Mr H's complaint. In that decision I said:

"I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr H complains about a car supplied to him under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr H's complaint about Close Brothers.

When considering what's fair and reasonable, I take into account relevant law, regulations and guidance. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. This explains, in summary, that goods supplied must match the description given.

Section 56 of the Consumer Credit Act 1974 ("S56") is also relevant to this complaint. S56 explains that, under certain circumstances, a finance provider is liable for what was said by a credit broker or supplier before a credit agreement is entered into. I'm satisfied S56 applies here. So, I can consider what Mr H says he was told about the car and finance by the broker or supplier before he entered into the contract.

What I need to consider here is whether the car didn't meet a description or was misrepresented to Mr H. A misrepresentation would have taken place if Mr H was told a 'false statement of fact' about the car, and this induced him into entering into the contract to acquire it when he otherwise would not have.

The crux of the issue here is that Mr H feels the information he is now privy to, should have been made aware to him by Close Brothers or the supplying dealership before he acquired it. He says that had he known the information he is now aware of about the car's history, he wouldn't have chosen to acquire the car.

I have carefully considered what Mr H has told our service here, alongside what Close Brothers has said.

Mr H has supplied our service with a link to the car he acquired listed at a salvage auction. The site said that it had been stolen/recovered and subsequently sold at auction in September 2019. Close Brothers dispute the credibility of the evidence Mr H supplied, as they don't think the third-party site where Mr H obtained his information from is a reliable source of information.

While Close Brothers dispute the credibility of the information provided, I'm satisfied from what I have seen that it is likely the car Mr H acquired was stolen and recovered – and then subsequently sold at auction in September 2019. Close Brothers has provided testimony and evidence to show that the information wasn't available to them during the checks they had

completed and so aren't responsible. But I disagree things are this simple. Given the situation, I don't doubt the dealer, and Close Brothers, would have unlikely known about the car's history. But I'm satisfied that the car could have still been misrepresented, or misdescribed to Mr H, regardless of whether they knew about the issue or not. This is because a misrepresentation can be made 'innocently'.

It's very important to set out exactly what the situation was at the time when Mr H acquired the car. Close Brothers has supplied information to show they were unaware of the car's history when it was supplied and that it wasn't classed as an insurance write-off. This seems plausible, considering the information Mr H has provided suggested there was only minor damage to the car. And, from what I have seen, I'm satisfied the car didn't have a stolen/salvage marker at the time Mr H acquired it. So, if the car was for instance described to Mr H as HPI clear or not having a marker, this would be factually accurate. This means there is something of a narrow window in terms of the information Mr H would have needed to have been given for a misrepresentation to have taken place.

I also haven't seen any evidence that Mr H was told that the car hadn't been previously stolen and recovered and/or sold at a salvage auction. And given the supplying dealership apparently wasn't aware of the history and Mr H didn't realise the issue until sometime later, this seems on balance most likely not to have been discussed at the time Mr H got the car.

Considering all of this, I haven't seen enough to persuade me Mr H was given a description of the car that wasn't accurate. It follows I'm also not persuaded he was told a false statement of fact about it and so it was not likely misrepresented to him.

Even if I thought a false statement had been made (which I don't), I'd still need to be satisfied that Mr H only acquired the car because he wasn't aware it had been previously salvaged. So, in other words, the fact a car hadn't been previously salvaged was so crucial to him that he wouldn't have acquired this one, had he known the true position. But I'm not persuaded Mr H would have done anything differently had he known. I say this because, I think if it was so crucial to Mr H, then I think he would have completed his own due diligence and checks before acquiring the car – and would have likely seen the very same information he was given by potential buyers when he attempted to sell the car. And, I'm also mindful that the car was only reported to have very minor, cosmetic damage at the time it was sold at auction. I think it is reasonable to assume a car of this age and mileage would have some damage, similar to that described. And I don't think this would have stopped Mr H from acquiring the car, if the damage hadn't been repaired before it was supplied to him.

I will say I am not making a finding that nothing went wrong. I want to reassure Mr H I do understand how frustrating this situation must be for him, now that he is aware of the car's history and in the difficulty he says he is having in selling it. While I appreciate this will be of little solace, I think it's important to acknowledge I need to specifically consider if Close Brothers are responsible here. Having done so, I don't think they are."

Responses to the provisional decision

Neither Close Brothers nor Mr H responded before the deadline I set.

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 persuaded to change my outcome from what I reached in my provisional decision as neither Close Brothers nor Mr H provided any additional comments

following my provisional findings.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 January 2026.

Ronesh Amin
Ombudsman