

The complaint

Mr M is unhappy that a vehicle supplied to him under a conditional sale agreement with Close Brothers Limited (Close Brothers) was not of a satisfactory quality.

What happened

In November 2024 Mr M was supplied with a used vehicle through a conditional sale agreement with Close Brothers. He paid a deposit of £2,000 and the agreement was for £11,855 over 60 months; with 60 monthly payments of £164.25. At the time of supply, the vehicle was around twelve years old, and had done 124,000 miles.

In August 2025 Mr M reported that the engine cuts out whilst he was driving. He said that he'd been experiencing this problem since he got the vehicle. In September 2025 he reported further issues including corrosion to the underside of the vehicle and the exhaust, leaks from the shock absorber, oil leaks from the differential and the engine, a leak from the intercooler, and misfuelling. He also said unapproved welding had been done to the chassis.

Mr M arranged for a diagnostic report to be done. He said this proved the issues were present at the time the vehicle was supplied to him.

Close Brothers then arranged for an independent inspection. This found a number of faults, including some that were considered unsafe and dangerous. The report concluded that the faults would not have been developing at the point of sale. This was because it had been driven for 13,456 miles in the eight months since Mr M acquired the vehicle. So they didn't uphold his complaint.

Mr M was unhappy with this response, so he referred his complaint to our service for investigation.

Our investigator said the vehicle had faults, but these appeared to be due to a reasonable level of wear and tear. She said she thought the vehicle was of a satisfactory quality when it was supplied. She said this because the vehicle had been driven for a significant mileage without issue. So she didn't think Close Brothers needed to do anything to resolve Mr M's complaint.

Mr M didn't agree with the investigator. He said he should not have been sold a vehicle that had repair work/welding done to the chassis without his knowledge. He says the engineer's report he provided says the vehicle was not fit for sale, and doesn't appear to have been given due weight by our investigator or Close Brothers.

Because Mr M didn't agree, this matter has been passed to me to make a final decision.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, as it is in this case, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr M was supplied with a vehicle under a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

Here, I'll consider that Mr M's vehicle was around twelve years old and had covered 124,000 miles. So I don't think a reasonable person would expect it to be in the same condition as a newer, less road worn one. And I'm satisfied they would expect the vehicle to have parts affected by wear and tear.

In this instance, it's not disputed there were issues with the vehicle supplied to Mr M. We have two independent reports that confirm the vehicle was faulty. What I have to consider is whether or not those issues were present or developing at the time the vehicle was supplied to Mr M.

Independent Engineer's Reports

I've seen a copy of the independent engineer's report arranged by Close Brothers, dated 25 September 2025. In this report, the engineer concluded that as the faults were reported after 13,456 miles and eight and half months of usage, it considered the vehicle had covered significant time and mileage for the faults to not have been developing at point of sale.

The report found the rear chassis was cracked – the engineer considered this to be unsafe and dangerous. The report also said the rear shock absorber was leaking heavily, there was an oil leak to the main seal for the prop shaft, and a number of fault codes were present. The engineer found the fuel tank was held to the chassis by a ratchet strap, which he also found to be unsafe and dangerous. At the time of the inspection the underside of the vehicle was heavily coated in dirt and soil – which the engineer suspected may be due to the environment the vehicle was driven through.

The engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

I've also seen the report dated 28 August 2025, commissioned by Mr M. This is from an independent motor assessor. This report found what it described as major and serious defects: these included the chassis rail which it said had been welded and patched, a heavy leak to the rear shock absorber, a historic and continuing oil leak from the engine, an oil leak from the intercooler, and the vehicle would not start.

It also found corrosion to the front quarter panels, the exhaust box, and an oil leak to the rear differential unit. He concluded that the vehicle was not of merchantable quality at the point of

sale. The engineer confirmed his inspection was done on a without prejudice and independent basis.

Both independent engineers found issues that they described as dangerous and serious. Where they differ is whether or not the faults were present or developing at the point of sale.

I've carefully considered both reports, and recent MOT test results.

The MOT history of the vehicle shows it passed an MOT test in November 2024 – at the time it was supplied. This was six months after the previous test, which it also passed after repairs related to excessive exhaust emissions. There was no mention of any other major defects in either of these test results.

I think it unlikely that the vehicle would've passed an MOT if, as described by both engineers, it was dangerous and unsafe. The purpose of an MOT is to ensure the vehicle meets minimum legal standards. This includes testing the vehicle structure to check that it is free from excessive corrosion or damage and inspecting the fuel system to check that the pipes and hoses are secure and in a good condition.

The report commissioned by Close Brothers found that the fuel tank was secured by a ratchet strap. I think it more likely than not that the vehicle would have failed an MOT if this was how the fuel tank was secured at that time.

Both engineers found the chassis to be dangerous and unsafe – here again I think it more likely than not that the vehicle would've failed the MOT if it had been in this condition at that time.

So because the issues weren't reported at the MOT test, I think it is unlikely that these faults would have been present at the time of supply. This is supported by the pre-delivery inspection report that has been provided by the supplying dealer. This doesn't mention any corrosion or unapproved welding.

I've explained above that I'd expect a 12-year-old vehicle that had done 124,000 miles to have a level of wear and tear. It is clear from the description of the vehicle given in both reports that there has been some wear and tear.

And I'm most persuaded by the opinion of the engineer instructed by Close Brothers that it was unlikely that the faults would've been present at the time of supply. That's because I agree with his view that it's unlikely that Mr M would have been able to drive the vehicle for almost 13,500 miles in eight months with such serious defects had they been present at the time the vehicle was supplied to him.

I've carefully considered the opinion of the engineer commissioned by Mr M. He said the vehicle was not "*of merchantable quality*" at the point of sale. He did find the faults identified in the other report but he didn't give any explanation of why he thought that. So I'm satisfied I can rely on the opinion of the engineer arranged by Close Brothers because I find this more persuasive.

I know he will be disappointed, but I'm not persuaded the vehicle was faulty when supplied to Mr M, so I won't be asking Close Brothers to take any further action to resolve this complaint.

My final decision

For the reasons explained, I don't uphold Mr M's complaint about Close Brothers Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 February 2026.

Gordon Ramsay
Ombudsman