

The complaint

Miss B complains about Close Brothers Limited's response to her request for a hold to be put on her account.

What happened

I issued a provisional decision on this complaint last month in which I described what had happened as follows:

"A used car was supplied to Miss B under a hire purchase agreement with Close Brothers in April 2021. The price of the car was £23,995, Miss B made an advance payment of £2,000 and she agreed to make 48 monthly payments of £344.67 and a final payment of £9,508.75 to Close Brothers.

Miss B says that the car was stolen and she didn't have the money for the final payment, so she asked Close Brothers to put a hold on her account. It didn't agree to do so and Miss B says that she had to borrow money from her sister to make the payment. She complained to Close Brothers but it didn't uphold her complaint. It said that the final payment was missed in May 2025 and it would report that to the credit reference agencies, but it told Miss B that if she made the payment during that calendar month, which she did, it wouldn't report it as a missed payment.

Miss B wasn't satisfied with its response so referred her complaint to this service. She says that Close Brothers could have put the account on hold and her credit file not be affected while her insurance claim was being processed. Miss B's complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that Close Brothers hadn't acted unfairly due to its responsibilities to report accurately to the credit reference agencies, regardless of the surrounding circumstances, and it provided Miss B with correct information to allow her the option of making an informed decision.

Miss B hasn't accepted the investigator's recommendation and has asked for her complaint to be reviewed by an ombudsman. She says that she understands the accurate reporting but feels that Close Brothers should have been able to do something to help her".

Provisional decision

I set out my provisional findings in my provisional decision and said:

"Close Brothers' agreement notes show that Miss B had confirmed in April 2025 that she would be handing the car back at the end of the hire purchase agreement and that she contacted it later that month because the car had been stolen. She said that she'd cancelled her direct debit. The notes show that Miss B's personalised registration number was transferred from the car and that Close Brothers was made aware that there was police interest in the car.

The notes also show that Miss B complained to Close Brothers in May 2025 because it had tried to collect the final payment and I can see that it paid her £30 compensation. The notes show that Miss B contacted it later that month and say:

“On review of the account the agreed is now in matured but the vehicle has been stolen - HPI shows police stolen marker but not the insurance as of yet. Asked hirer if there was an update from the insurance - She advised that she has an appointment with them on Friday and the person she will speak with will write a report and take it from there. She asked if there was a minimum amount that she would need to pay to ensure her credit file is not affected – advised there is no minimum amount if the balloon payment is not paid then it will most likely show as when we report it we have to report it accurately. She did ask what her options were at the moment - advised as there is currently no write off marker we would look to continue with our process BAU which means we will have to send a NOD and then when expires terminate and send to dca. She wanted a definite answer as to whether there is a minimum amount she will have to pay this month to prevent her credit file being impacted”; and

“I have discussed with management and the only way your credit file would not be impacted is if the balloon payment was paid in full. If you are unable to do this the missed payment marker may reflect on your credit file for the month of May”.

Miss B says that she borrowed money from her sister and made the final payment under the hire purchase agreement in May 2025. I consider it to be clear from the agreement notes that Miss B was going to return the car to Close Brothers when the hire purchase agreement ended, but that it was stolen which prevented her from returning it. Miss B was clearly concerned about adverse information being recorded on her credit file and she asked Close Brothers about the minimum payment that she could make to avoid that happening and about her options.

As the car had been stolen and Close Brothers was aware that there was police interest in the car and that an insurance claim was being made, I consider that it would be fair and reasonable for Close Brothers to have done more to help Miss B at that time. Because she didn't want any adverse information on her credit file, she paid £9,508.75 to keep the car, when she wanted to return it and not make that payment. I don't consider that Close Brothers has acted fairly and reasonably in these circumstances.

Miss B says that the car wasn't returned to her and that she received a payment from her insurers on 4 July 2025. As Miss B had paid £9,508.75 to Close Brothers on 30 May 2025 and she didn't receive a payment from her insurers until 4 July 2025, I find that it would be fair and reasonable for Close Brothers to pay her interest on that amount for that period.

Close Brothers' failure to do more to help Miss B has caused her distress and inconvenience. I find that it would also be fair and reasonable for Close Brothers to pay her £250 to compensate her for that distress and inconvenience”.

Subject to any further comments or evidence that I received from Miss B and Close Brothers, my provisional decision was that I intended to uphold this complaint. Miss B says that she's happy with my provisional decision and accepts it but Close Brothers hasn't responded to my provisional 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.

As Miss B has accepted my provisional decision and Close Brothers hasn't responded to it, I see no reason to change the findings that I set out in my provisional decision.

Putting things right

I find that it would be fair and reasonable for Close Brothers to take the actions described in my provisional decision and as also set out below.

My final decision

My decision is that I uphold Miss B's complaint and order Close Brothers Limited to:

1. Pay interest to Miss B on the payment of £9,508.75 that she made for the period from 30 May to 4 July 2025, at an annual rate of 8% simple.
2. Pay £250 to Miss B to compensate her for the distress and inconvenience that she's been caused.

HM Revenue & Customs requires Close Brothers to deduct tax from the interest payment referred to above. Close Brothers must give Miss B a certificate showing how much tax it's deducted if she asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 4 February 2026.

Jarrold Hastings
Ombudsman