

## The complaint

Mrs S is unhappy that a car supplied to her under a conditional sale agreement with Close Brothers Limited trading as Close Brothers Motor Finance (Close Brothers) was not of a satisfactory quality.

## What happened

In June 2024 Mrs S was supplied with a used car through a conditional sale agreement with Close Brothers. She paid an advance payment of £3,999.50 and the agreement was for £46,052.10 over 36 months; with 35 monthly payments of £1,167.85 and a final payment of £1,177.85. At the time of supply, the car was around four years old, and the MOT test certificate dated 25 June 2024 said the car had done 56,535 miles.

Mrs S complained about a number of issues with the car. In August 2024 she said the car had faults with the parking sensor, the rear camera, the driver seat adjustment button, the heated steering wheel, the back console was broken, and issues with the sound system.

She also complained that the paperwork given to her by the supplying dealer showed the mileage as 54,800. But when she collected the car it had done 56,535 miles.

She said a garage also told her that a mileage blocker had been fitted to the car. She said Close Brothers told her to take the car to a main dealer garage and they would refund the cost of any inspection if a mileage discrepancy was found.

She said she took the car to a main dealer garage in December 2024. She said it was unable to complete a mileage discrepancy check. She said it found faults with the rear door lock, the engine smoking, the suspension, the gear box, and the air conditioning.

She said in January 2025 she found faults with the braking system, the stability control system, the charging system and the battery.

Mrs S said she doesn't feel Close Brothers properly investigated her complaint. She said they arranged for an independent inspection to be done, but gave the independent engineer the wrong mileage.

Mrs S said that Close Brothers upheld her complaint, but only referred to some of the faults she had listed. She was also unhappy that Close Brothers would only pay for repairs at a garage of their choice, and not a main dealer garage. She was also unhappy that Close Brothers did not refund all of her monthly payments.

Close Brothers said they arranged an independent inspection of the car, and agreed to pay for the repairs identified in that report. They said there was no evidence of there being a mileage discrepancy or mileage "blocker" on the car, and the main dealer garage had also told Mrs S that this could not be proven. They said this was why they were unable to investigate or support this aspect of Mrs S' complaint and wouldn't allow her to reject the car.

They did confirm they would pay for repairs that had been deemed to be present or

developing at the time of supply.

They agreed to refund monthly payments for January 2025, February 2025, May 2025, June 2025 and July 2025. They didn't refund payments for other months as they said Mrs S had caused delays for the time in between due to lack of evidence and contact. They also paid her £150 for distress and inconvenience.

Mrs S was unhappy with this response, so she referred her complaint to our service for investigation.

Our investigator said she was satisfied the car was not of a satisfactory quality and said Close Brothers should arrange for and cover the cost of repairs to the car. She also said Close Brothers should refund the monthly payments made for March 2025 and April 2025, in addition to the payments they had already refunded.

Mrs S didn't agree with the investigator. She said the investigator hadn't upheld some of the faults she'd raised. She also said that she wanted the repairs to be done at a main dealer garage. And she said she should be refunded the monthly payments after July 2025 as she was unable to drive the car.

Because Mrs S didn't agree, this matter was passed to me to make a final decision.

I issued a provisional decision on 13 January 2026, where I provided further information about what repairs were to be arranged by Close Brothers, and I increased the redress to be paid to Mrs S. In that decision I said:

*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 inclined to reach 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 matter, 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. Mrs S was supplied with a car 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 Mrs S 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. Here, I'll consider that Mrs S' car was around four years old and had covered 56,535 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 car to have parts affected by wear and tear.*

*In their Final Response Letter, Close Brothers listed the following faults:*

- Heated steering wheel fault*
- Sensor not working*

- Braking issue
- Engine smoking
- Mileage discrepancy (suspected)

*They referred to the report from the independent engineer. This said “which does confirm that the engineer believes the issues to have been present and/or developing at the point of sale”.*

*The letter said that they’d asked the supplying dealer to contact Mrs S to arrange for repairs. But the letter didn’t specify what repairs were to be done.*

*Close Brothers later confirmed to our investigator that they wouldn’t be covering repairs to the battery, heating, speakers, rear door locking or alarm because the independent engineer couldn’t find a fault with these. They also confirmed the fault with the seat adjustment had been due to wear and tear so they wouldn’t cover this repair.*

*But this didn’t cover all of the issues with the car that Mrs S has raised with Close Brothers. It appears to me that Close Brothers has agreed the car wasn’t of a satisfactory quality, and to carry out repairs. But I’ve seen nothing to confirm what repairs they had and had not agreed to, and no evidence that this has been shared with Mrs S.*

*The view our investigator reached covered the issues in the Final Response Letter, but not all of the issues. So before I reach my final decision I thought it would be helpful to set out my view on all of the issues covered.*

#### *Independent Engineer’s Report*

*I’ve seen a copy of the independent engineer’s report, dated 11 June 2025 (64,890 miles). In this report, the engineer confirmed he investigated faults with:*

- The heating system
- The heated steering wheel
- The sensors
- The battery
- The speakers
- The rear door locking issue and alarm
- Seat adjustment switch

*He reported he couldn’t find faults with the heating system, the sensors, the battery draining, the speakers, or the rear door lock and alarm. He also found the seat adjustment switch was faulty but said this was due to wear and tear. So I won’t be asking Close Brothers to arrange for repairs to these issues. He did confirm faults with the heated steering wheel so I’ll be asking Close Brothers to arrange for this to be repaired.*

*He also reported a fault with the braking system. He found a warning message related to the “hill descent control”. He also reported a loud noise from the brake servo area, and a heavy vibration through the brake pedal. He did confirm the brakes discs and pads were serviceable and in a good condition.*

*The engineer concluded that the faults he identified were present or developing at the time the car was supplied to Mrs S. So I will be asking Close Brothers to arrange and pay for repairs to the brakes.*

*The engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I’d normally be satisfied this report was reasonable to rely upon.*

*But in this case the engineer stated that there was a language barrier which he said meant Mrs S' description of the faults was "extremely vague". He said this was compounded by the fact that Close Brothers had not provided him with any other attachments or evidence.*

*For this reason I've gone on to consider the other faults that he didn't refer to, but have been found by either the independent garage inspection or the main dealer report, both provided by Mrs S.*

*Mrs S said that on 5 August 2024 an independent garage had found faults with:*

- Parking Sensor*
- Rear Camera*
- Driver seat adjustment button*
- Electric heated steering*
- Back Console was broken*
- Sound System issues*

*At the time of the estimate, 5 August 2024, the car had done 58,102 miles. It gave an estimate of £7,710 for the faults to be fixed.*

*Mrs S provided a further estimate from the same garage, dated January 2025 (64,250 miles) for repairs to the braking system, the stability control system, charging system and the battery. This estimate was £9,222.60.*

*None of these estimates provided any explanation or diagnostic report, and didn't say if the faults were present or developing at the time of supply to Mrs S.*

*So I've considered what other evidence I have of these faults.*

*The independent engineer confirmed he found no fault with the charging system and the battery. He reported no weak battery, and said battery and charger voltage checks found them to be within specification.*

*He also said the fault with the seat adjustment button fault was due to wear and tear. He found no issues with the sound system, or the sensors. None of these issues were reported by the main dealer on its inspection report dated 9 May 2025.*

*So I won't be asking Close Brothers to take any action to resolve these matters.*

*The independent engineer did find an issue with the brakes, and the heated steering wheel. And whilst he found no issues with the sensors he did report that a diagnostic scan identified an issue with the front left tyre pressure sensor and transmitter assembly. He said the incorrect component had been installed. So Close Brothers should arrange and pay for these issues to be repaired.*

*That leaves the reported faults with the rear camera, the broken back console, and a knocking noise from the right side arms as reported by the independent garage. None of these issues were found by the independent engineer or the main dealer inspection. So in the absence of any other evidence, I won't be holding Close Brothers responsible for these repairs.*

*Finally we have faults found in the main dealer inspection.*

*It also reported the issue with the rear door lock and alarm. Whilst I acknowledge that the independent inspection could not find this issue, the main dealer report is clear that eight alarm triggers had been caused by the near side rear door not locking. It said the door lock*

*mechanism should be replaced. I'm satisfied this report can be relied on so I will be asking Close Brothers to arrange and pay for this repair.*

*The main dealer inspection found white smoke from the exhaust system. I assume this is the engine smoking issue reported in the final response letter. The main dealer said this was likely due to condensation, and not a fault. So no action is required.*

*The main dealer also uncovered a suspension warning code and said a software update was required. It also found a fault with the air conditioning. It said the coolant heater was inoperative. These were not reported in the earlier inspections and, as they were found eleven months after Mrs S acquired the car, I won't be holding Close Brothers responsible for these as, in the absence of any evidence to the contrary, I think they are more likely than not to be due to wear and tear.*

*So I'm satisfied there are faults that make the car not of a satisfactory quality. The appropriate remedy under the CRA is a repair. So I intend to require Close Brothers to arrange and pay for repairs to the following:*

- Heated steering wheel*
- Replacement of rear door locking mechanism*
- The brakes*
- The front left tyre pressure sensor and transmitter assembly*

*I'm also satisfied that Close Brothers can arrange for the supplying dealer to carry out the repairs. That's because they have the opportunity under the CRA to repair the car. The CRA is clear that, if the single chance at repair fails then the customer has the right of rejection.*

*Mrs S said that she was told that a mileage blocker had been fitted to the car. She also refers to the mileage figure on the finance agreement being lower than the mileage shown on the MOT test completed when she got the car. The main dealer inspection report refers to the mileage and says "Our system is not allowing us to complete a mileage discrepancy test on this vehicle. However, total mileages in the different terrain modes do not present a concern".*

*I've seen no evidence that a mileage blocker has been fitted. And I'm persuaded by the main dealer's comments that any discrepancy should not be a concern. Mrs S also says the independent engineer was given the wrong starting mileage. I agree – but I've considered this and I'm not persuaded that the difference of 1,700 miles makes a material effect.*

### ***Putting things right***

#### ***Payment Refund***

*Mrs S didn't use the car from January 2025 until July 2025 when Close Brothers offered to arrange and pay for repairs. Close Brothers have already offered to refund some of those payments but not others. This was because they said she delayed the process. I've seen reliable evidence why Mrs S was unable to respond immediately. And I'm satisfied that the delay wasn't unreasonable.*

*During this period, Mrs S wasn't supplied with a courtesy car. As such, she was paying for goods she was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as Close Brothers failed to keep her mobile, I'm satisfied they should refund the payments she made during this period.*

*Mrs S says she has not used the car since January 2025. And she has asked that all payments since that date should be refunded. I disagree. I've seen no evidence that the car was undriveable, or that she was advised not to drive it.*

*I've carefully reviewed all the issues that she has reported, and I've not seen any issues that made it undriveable. That includes the issues with the brakes – but the independent engineer found these to be serviceable. So I won't be asking Close Brothers to refund payments for the period after July 2025 when it agreed to carry out repairs.*

*However, given the number of issues with the car, I'm satisfied that Mrs S' usage and enjoyment of the car has been impaired. Because of this, I also think it's fair that Close Brothers refund some of the payments Mrs S made. And I think 10% of the payments made fairly reflects the impaired use caused by the car not being of a satisfactory quality.*

### Other Costs

*Mrs S has provided evidence of the cost of the main dealer inspection. And, given that the car wasn't of a satisfactory quality when supplied, I think it's only fair that Close Brothers reimburse this cost.*

### Distress & Inconvenience

*It's clear that Mrs S has been inconvenienced by having to arrange for the car to be inspected on several occasions. So, I think Close Brothers should pay her £150 in compensation to reflect the distress and inconvenience caused.*

*Therefore, Close Brothers should:*

- arrange and cover the costs of the repairs to the car as I have set out above;*
- refund the payments made for the period January 2025 to July 2025;*
- refund an amount equivalent to 10% of the monthly payments for the period from July 2025 to the date the repairs have been successfully completed;*
- apply 8% simple yearly interest on the refunds, calculated from the date Mrs S made the payment to the date of the refund†; and*
- pay Mrs S an additional £150 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.*

### **Responses**

Mrs S did not agree with my provisional decision. She said the car was not driveable and this had prevented her getting the MOT for the car, which has also prevented her from driving the car. She said that because of this she should be refunded all payments she'd paid since July 2025. She raised issues regarding the report completed by the independent engineer, and his inspection of the car.

She also explained that she had not asked the main dealer garage to inspect all the issues. She said they didn't inspect the rear camera or the sensors as she couldn't afford the extra cost. She said the faults with the sensors, the rear camera, and the seat adjustment button should be repaired as they occurred after she had driven only 1,567 miles. She said the suspension warning code, the software update and the air conditioning should be reviewed as they were found after six months of usage.

Close Brothers accepted the decision but queried if I was asking them to pay an additional £150 on top of the £150 they'd already paid her for distress and inconvenience.

## **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.

I've carefully considered all of Mrs S's comments in response to my provisional decision, but I'm not persuaded that I should change my decision. She has provided no new evidence with her response.

Mrs S repeated that the car is not driveable. She says the car has several faults and the brakes do not work, even though the brake pads are okay. I've accepted that there is a fault with the brakes – a fault was found by the independent engineer and others. But I've seen no evidence or statement from any of the engineers who have inspected the car that it is unsafe, or shouldn't be driven. So without any evidence that the car is undrivable I think it would be unfair to ask Close Brothers to refund payments from July 2025 – even though I accept that Mrs S hasn't driven the car.

But I do think that they should refund Mrs S 10% of the monthly payments from July 2025 to reflect her impaired usage of the car.

Mrs S highlighted that faults had been found at six months, not eleven months as I said in my provisional decision. That is correct but it doesn't change my view. That's because she'd done around 8,000 miles in that six month period so I think, in the absence of any other reasoning or evidence, it's more likely than not that the faults were due to wear and tear, and not present at the time of sale.

I've seen no evidence that changes my mind about the faults with the car. So I remain satisfied that Close Brothers should arrange and pay for repairs to the following:

- Heated steering wheel
- Replacement of rear door locking mechanism
- The brakes
- The front left tyre pressure sensor and transmitter assembly

I'm still persuaded that Mrs S was inconvenienced by having to arrange for the car to be inspected on several occasions. So, I think Close Brothers should pay her £150 in compensation to reflect the distress and inconvenience caused. I understand Close Brothers have already paid this amount to Mrs S. The amount they paid is in line with our approach as set out on our website, so I'm not asking them to pay any more than this.

## **Putting things right**

As I remain satisfied that the car was supplied with faults that made it not of a satisfactory quality, Close Brothers should:

- arrange and cover the costs of the repairs to the car as I have set out above;
- refund the £216 cost of the main dealer inspection;
- refund the payments made for the period January 2025 to July 2025;
- refund an amount equivalent to 10% of the monthly payments for the period from July 2025 to the date the repairs have been successfully completed;
- apply 8% simple yearly interest on the refunds, calculated from the date Mrs S made the payment to the date of the refund<sup>†</sup>; and

- if it has not already done so, pay Mrs S £150 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

†If Close Brothers considers that tax should be deducted from the interest element of my award, they should provide Mrs S with a certificate showing how much they have taken off so she can reclaim that amount, if she is eligible to do so.

### **My final decision**

For the reasons explained, I uphold Mrs S' complaint and Close Brothers Limited trading as Close Brothers Motor Finance should follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 10 March 2026.

Gordon Ramsay  
**Ombudsman**