

The complaint

Mr J complains that an agreement he took out with Close Brothers Limited trading as Close Brothers Premium Finance (“CBPF”) was mis-sold to him as the terms of it weren’t clearly explained to him.

What happened

In December 2024, Mr J took out an insurance policy with a third-party insurance provider. To pay for the policy, Mr J signed a credit agreement with CBPF to spread the cost of it, rather than paying for it in a lump sum.

Mr J said that the policy was arranged over the phone and he wasn’t aware he was entering into a regulated credit agreement. Mr J said he was only aware of the terms afterwards.

In July 2025, Mr J acquired a different car and informed his insurance provider. This resulted in an additional premium and charge being added automatically to the amount owed under the agreement. Mr J believes he wasn’t aware that a mid-term amendment would result in an increase in the balance owed and the repayments.

Mr J complained to CBPF, who issued their final response to Mr J in November 2025. They explained why they didn’t uphold his complaint. They explained that a welcome letter was sent to Mr J and that he had returned an electronically signed agreement to them a few days after his broker instructed them to finance an insurance policy. CBPF said that they took the signed agreement as acceptance of its terms and conditions. CBPF went on to say that the agreement explained that any additional funding would be added to the agreement and so, they didn’t think they had acted wrongfully.

Unhappy with CBPF’s response, Mr J referred his complaint to our service. Our investigator issued her view where she explained why she didn’t think CBPF needed to do anything further.

Mr J disagreed with the investigator’s findings. Among other things, Mr J believed he wasn’t provided sufficient information before entering into the agreement with CBPF.

As Mr J didn’t agree 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.

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 J 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 J's complaint about CBPF.

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

Mr J believes he wasn't aware he was agreeing to take out a credit agreement with CBPF when he arranged for an insurance policy in December 2024 over the phone. While I appreciate Mr J's comments here, the evidence suggests otherwise. I accept I don't have a copy of the call Mr J says he held in December 2024. However, I don't think I require it to be able to reach a fair and reasonable outcome. I say this because, CBPF has provided our service a copy of the welcome letter which was sent to Mr J. This set out, amongst other things, who CBPF were, and what Mr J's payment schedule was.

The letter also said prominently at the top, "*Your credit agreement arranged by [credit broker]*", and it asked Mr J to read the document as it contained information relevant to the agreement. It also asked Mr J to sign the agreement by following the instructions provided.

Furthermore, a copy of an electronically signed credit agreement between Mr J and CBPF has been provided to our service, which also had its terms and conditions attached to it.

Considering things here, I'm persuaded that Mr J ought to have reasonably been aware that he was entering into a credit agreement with CBPF and what the agreement was for. I'm also satisfied that CBPF provided Mr J with all the necessary information he would have required before entering into the agreement.

Turning my attention now to the terms of the agreement which Mr J agreed to. The terms say under a section called, "*This Agreement and the Facility*":

"... This Agreement sets out the terms of a credit facility under which you, or the broker on your behalf, may make one or more drawings to finance the purchase of the insurance policies and any associated charges with those policies. You authorise and instruct Us to forward the amount of each drawing to the Broker or the insurer under the policy being financed."

The agreement later said:

"We apply a flat rate of interest charge on the amount of each drawing."

So, I think the terms are clear in setting out that the credit limit, and in turn, repayments due under the agreement can be amended if an adjustment is made to the policy which the agreement is financing. And I think the terms are clear that interest would also be charged for any additional funding provided under the agreement.

In this instance, it isn't in dispute here that Mr J made an amendment to his insurance policy as he explained that he changed his vehicle. And CBPF has provided a copy of correspondence that was sent to Mr J called, "*Adjustment to your insurance premium*

arranged through [credit broker]". The correspondence set out how much Mr J's remaining monthly repayments had increased to.

Considering things here, I don't think CBPF has acted unfairly and unreasonably, and I'm satisfied they acted within their terms and conditions. It follows that I don't think CBPF need to do anything here.

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 Premium Finance to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 May 2026.

Ronesh Amin
Ombudsman