

## **complaint**

Mr E complains that Close Brothers Limited did not cancel a hire purchase agreement when he signed a voluntary termination. It was not cancelled until the motorcycle was sold.

## **background**

Mr E entered into a hire purchase agreement with Close Brothers for the purchase of a motorcycle in September 2013. On delivery, it became apparent that the bike was unsuitable for UK driving as it had a metric speedometer. Mr E brought legal proceedings against Close Brothers. The case was settled in July 2014 on the following terms:

- The claim would be discontinued
- Mr E would sign a voluntary termination and relinquish the bike
- Close Brothers would pay Mr E £1,092.18.

Close Brothers sold the bike at auction two weeks later. There was a shortfall in the price Mr E had paid for it of £303.70. This sum was written off.

Mr E later became aware that Close Brothers had not cancelled the hire purchase agreement until the bike had been sold. Mr E had thought this had happened two weeks earlier when the settlement had been agreed. Mr E says the agreement he signed is ambiguous, and the terms of the agreement were not communicated properly to him. Mr E brought a complaint to us to consider.

The adjudicator did not recommend that the complaint should be upheld. He considered that it was reasonable for Close Brothers to take a short time to arrange to sell the bike and transfer the ownership. The adjudicator was satisfied that it had sold it promptly and changed the ownership within 15 days of the settlement agreement.

Mr E does not agree. He says, in summary, that the contract should have ended when the settlement was agreed. It should not have been when the bike was sold. Mr E says that Close Brothers misrepresented the settlement terms to him.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am unable to consider Mr E's complaint against the solicitors acting for Close Brothers. I can only look at the actions of Close Brothers.

Mr E is unhappy that it was not made clear to him that the hire purchase agreement had not ended when the voluntary termination terms were agreed and signed. Close Brothers did not transfer the ownership of the bike until it was sold 15 days later. I do not however consider this time gap to be unreasonable. I find that Close Brothers acted promptly in taking steps to sell the bike and transfer ownership. I note that the compensation due to Mr E under the settlement agreement was paid to him within four days.

I appreciate that Close Brothers took some time to clarify the position with regards to ownership. Mr E used his solicitors to find out who owned the bike. I do not however consider that the delay was so long as to warrant an award of compensation to Mr E. I

consider overall that Close Brothers acted reasonably towards him with regard to the settlement agreement. As I have noted, it both paid him, and sold the bike, promptly.

As Mr E had relinquished the bike on the settlement date, I do not find that he needed to continue paying insurance for it when it was no longer in his possession.

**my final decision**

Under the rules of the Financial Ombudsman Service, I am required to ask Mr E to accept or reject my decision before 23 January 2015.

My decision is that I do not uphold this complaint.

Rosemary Lloyd  
**ombudsman**