



FAQ - Supreme Court Judgment in respect of the "Hopcraft" case

What is the background to the Hopcraft case?

The case relates to a motor finance transaction undertaken in January 2014, and was originally determined in Close Brothers Limited ("CBL")'s favour by the County Court. It was appealed by the Claimant and heard in early July 2024 by the Court of Appeal together with two separate claims made against another lender. The hearing of further appeals filed before the Supreme Court took place from 1 to 3 April 2025.

What is the outcome of the Supreme Court's judgment in respect of the Hopcraft case?

CBL successfully overturned the Court of Appeal's judgment in respect of the "Hopcraft" case. The Supreme Court has determined that motor dealers (acting as a credit broker) do not owe fiduciary duties to their customers. As a result, the Supreme Court dismissed the Hopcrafts' claim against CBL entirely. The Supreme Court reached the same conclusion on these issues in relation to the "Wrench" and "Johnson" cases against FirstRand Bank Limited ("FirstRand").

On the issue in "Johnson" relating to s.140A of the Consumer Credit Act 1974 ("CCA"), the Supreme Court made clear that the test for unfairness is highly fact sensitive and takes into account a broad range of factors. On the facts of Johnson, the Supreme Court upheld the Court of Appeal's decision that the relationship between Mr Johnson and FirstRand was unfair and required FirstRand to pay Mr Johnson the value of the commission paid to the dealer plus compensatory interest at an appropriate commercial rate.

The Supreme Court's judgment provides clarity on important legal and commercial principles.

What are the potential implications for Close Brothers and what happens next?

On 3 August 2025, the Financial Conduct Authority (the "FCA") confirmed that it will consult on an industry-wide redress scheme to compensate motor finance customers who were treated unfairly. The FCA aims to publish the consultation by early October 2025 and for it to be open for six weeks, with the scheme becoming effective in 2026. Until the FCA has consulted on the redress scheme and confirmed the design and scope of that scheme, there remains uncertainty as to the range of outcomes, and the financial impact to the group including any impact on its provisioning assessment.

In parallel, the group is continuing to assess the impact of the principles set out in the Supreme Court's judgment on its motor finance loan portfolio.

What is the time period this judgment is applicable to?

The judgment of the Supreme Court applies retrospectively. The Supreme Court is the highest court in England and Wales, and its judgment cannot be appealed.

What are the implications for the FCA's review into historical motor finance commission arrangements? What are the implications for an FCA redress scheme?

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FCA statement

[FCA to consult on a compensation scheme for motor finance customers](#)