

Browne Jacobson responds to Supreme Court judgment on car finance ruling

01 August 2025

In a landmark Supreme Court decision on [Johnson v FirstRand Bank Ltd](#), the court rejected outright any bribery and fiduciary duty claims, ruling that car dealers pursuing their own commercial interests do not owe duties of loyalty to customers.

Helen Simm, Partner at law firm Browne Jacobson, said:

"In a move that could surprise some commentators, the Supreme Court has overturned much of the Court of Appeal's reasoning. On the face of it, this offers significant relief to lenders and dealers who had been bracing for a wave of liability. But the sting could still be in the tail. The court upheld Mr Johnson's claim under Section 140 of the Consumer Credit Act 1974 (CCA) due to a 55% commission, hidden commercial ties, and misleading paperwork.

"The clear message is that undisclosed, excessive commissions and deceptive sales tactics may still trigger findings of unfairness under CCA. So while the headline claim has fallen away, the door remains very much ajar and many consumers may yet pursue claims on this narrower, but still potent, basis."

Jeremy Irving, Insurance Partner, added:

"The Supreme Court's decision was centred on what it called a "three-cornered" transaction, where an asset is sold through a financial arrangement involving an intermediary. In such transactions, each party - the asset seller, the buyer, and the finance provider- has its own independent interest in the deal and cannot be expected to act in another party's best interests.

"As a result, they found there could be no fiduciary duty or legal grounds for claiming a secret commission. The failure to disclose a large commission can still be relevant when assessing the buyer's or borrower's rights under the Consumer Credit Act.

"The Court also confirmed that the intermediary's financial interest, typically a commission, comes from the finance provider, not the buyer. This ruling could have implications for the insurance industry. It raises questions about whether insurance placements are comparable to these "three-cornered" structures, and whether there's a shared understanding among insurers, policyholders, and the courts about who ultimately bears the cost of intermediary remuneration.

"The market should also consider the claims ramifications from a potentially large volume of liabilities for car dealers in relation to Consumer Credit Act disputes."

Contact

Kara Shadbolt

Senior PR & Communication Manager



kara.shadbolt@brownejacobson.com
+44 (0)330 045 1111

Related expertise

Services

- Commission payments in financial services
- Financial services and insurance advisory
- Motor finance commission
- Complaints management
- Financial services regulation