

The complaint

Mr K complains that a car acquired with finance from NNIB Group Limited trading as Northridge Finance (NNIB) wasn't of satisfactory quality.

What happened

In September 2021 Mr K was supplied with a car and entered into a hire purchase agreement with NNIB.

Mr K experienced issues with the car. It broke down and was returned to the dealership. Mr K was provided with a courtesy car, which also had some issues. Ultimately the dealership agreed to take back the car and settle the agreement.

Mr K complained to NNIB seeking a refund of payments he'd made when the car was off the road. NNIB didn't uphold the complaint. It said the rejection had been agreed and the matter was closed.

I issued a provisional decision upholding the complaint. I said I was satisfied that Mr K had been provided with a car which wasn't of satisfactory quality and that rejection was the appropriate remedy. I said that because Mr K had been provided with a courtesy car whilst his car was off the road, I didn't think there was any basis for refunding Mr K's monthly instalments. However, I said it was fair to recognise that Mr K had been caused distress and inconvenience as a result of being supplied with a car which wasn't of satisfactory quality, and as a result of being supplied with a courtesy car which had issues. I recommended that compensation of £500 was paid to Mr K to reflect this.

I invited both parties to let me have any further evidence or arguments they wished to raise.

NNIB didn't respond to my provisional decision.

Mr K responded and said he felt that he should be refunded the monthly instalments he'd paid for December – February because he'd requested to reject the car in December and shouldn't have had to continue paying for a further two months. He said he would have borrowed a car during this time until he could purchase a new one rather than use the courtesy car.

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 taken account of the points that Mr K has made. I understand that this has been a very frustrating experience for him and that he feels that the rejection should've been accepted sooner than it was. However, I haven't seen any evidence to persuade me that there was clear case for rejection of the car in December. At this stage, the car had broken down and was with the dealership for assessment. It was only when that assessment was completed that rejection was accepted. And I can't overlook the fact that a courtesy car was provided to

Mr K throughout, which he used. In the circumstances, I see no reason to reach a different conclusion to that which I reached in my provisional decision.

Putting things right

To put things right, NNIB Group Limited trading as Northridge must pay compensation of £500 to Mr K for the distress and inconvenience caused to him.

My final decision

My final decision is that I uphold the complaint. NNIB Group Limited trading as Northridge must take the action I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 December 2022.

Emma Davy
Ombudsman