

## **The complaint**

Miss S complains about the quality of a vehicle supplied to her by N.I.I.B Group Limited trading as Northridge Finance (“Northridge”)

## **What happened**

Miss S entered into a hire purchase agreement with Northridge in late April 2023 for a car. The car was approximately four years old and was recorded as having travelled around 52,000 miles when supplied.

She noticed a problem with it almost immediately. She’s said that the car juddered when pulling away slowly (it’s an automatic gearbox so she told us can’t control this). She has also said that there were issues with dents, scratches, tyres, brakes, door damage and seatbelt issues.

Northridge have said that the car was inspected by both the dealer and a manufacturer dealership in May 2023 who couldn’t replicate the juddering. After this, on 30 May 2023, Miss S took the car to an independent garage who carried out a diagnostic report. They said they observed the problem with the juddering and further investigation would be required, including stripping the gearbox down, to identify the cause of the problem.

There was contact for a period of time between Miss S and the dealership who had sold the car, and she’s provided a receipt for its collection by them and told us the car was collected by the dealership on 1 June 2023. She had raised a complaint with Northridge around 26 May 2023 but has never had a final response letter from them. She received confirmation that they had received the complaint and would look into it, but no further contact from Northridge, so brought her complaint to our service in July 2023.

An investigator here investigated the complaint and upheld it. The dealership had said there was nothing wrong with the car, so the investigator asked if Northridge had an independent report to verify this but heard nothing back. The Investigator felt that as Miss S had provided an independent garage report confirming a fault, she should be entitled to reject the car.

Northridge didn’t respond, so the case has been sent for a final decision.

## **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.

In considering this complaint I’ve had regard to the relevant law and regulations; any regulator’s rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Miss S was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we’re able to investigate complaints about it.

The Consumer Rights Act 2015 (‘CRA’) says, amongst other things, that the car should’ve

been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Northridge are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Northridge can show otherwise. But, where a fault is identified after the first six months, the CRA implies that it's for Miss S to show it was present when the car was supplied.

So, if I thought the car was faulty when Miss S took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Northridge to put this right.

When the case was put to me for a final decision, Northridge did make contact, but haven't provided any new evidence for me to consider. So, I've considered what was already supplied.

The supplying dealership have sent emails to Northridge saying that there is no fault with the vehicle, and they believe this is just Miss S changing her mind about wanting the car. But they haven't provided any evidence to back this up. Bearing in mind that it appears they collected the car from Miss S on 1 June 2023, over a year ago, I think they and Northridge have had ample opportunity to provide any evidence in the form of an independent report or any form of report about the car.

There were discussions around November 2023 between Northridge and the supplying dealership about getting an independent inspection carried out, but despite our investigator asking for this, and waiting for it to be supplied, no evidence of an inspection has been provided.

It's clear from evidence provided by both parties that Miss S raised concerns about this issue shortly after the car was supplied. The emphasis therefore in the CRA is on Northridge to show that the car was of satisfactory quality when supplied. I've seen no persuasive or corroborated evidence that does this, and Miss S has provided a garage report from 30 May 2023 that identifies the shuddering with the vehicle and says further diagnostic work would be needed to diagnose it and fix it.

The report says *"On collection of the vehicle from the customers home address, there was a significant amount of shuddering when pulling away slowly, and it also had issues with hard/harsh gear shifting. Further investigation would be required to establish the specific failure, which would require the gearbox to be removed from the car, stripped and all components inspected". "Possible causes of failure could be, clutch, failed gearbox components or a control module failure"*.

There is testimony from the supplying dealership that themselves and a car manufacturer dealership had inspected the car during May 2023 but been unable to replicate the fault. But this was from prior to the garage report Miss S supplied which did replicate the fault. It was also described as an intermittent fault, and no detailed explanation was provided by the supplying dealership as to what testing had been carried out or whether a road test was conducted. Indeed, no evidence of reports or invoices detailing these checks has been provided at all, other than telling us they happened.

On balance, and with little evidence provided by Northridge, I am persuaded by Miss S's garage report that there was a fault here. Without any further evidence of what needed to be done to repair the issue, and with Northridge's supplying dealership having collected the car a year ago and apparently kept it since then, I think the only fair option now is for Miss S to be able to reject the car.

It would seem Miss S had complained about the fault and asked to reject the car within the first 30 days. But as a further year has now passed without any resolution, it would definitely not be fair now for Northridge to have the car examined and potentially to look to repair it and return it to Miss S. The CRA talks about repairs needing to be done in a timely fashion, and I don't believe that a year later, this would be fair to Miss S.

I've gone on to consider how Northridge should put things right. Overall, I agree with the redress proposed by our investigator when they provided their view on the case. As Miss S has said she hasn't had the vehicle since 1 June 2023, any payments made from that date should be refunded. Northridge have not commented on this, and Miss S provided a receipt for the vehicle being collected dated 1 June 2023, so I have no reason to doubt this is what happened.

Miss S also provided an invoice for the garage report she paid for on 30 May 2023 for £81.60, so this should also be refunded to Miss S. Alongside this, I think that the service provided here to Miss S by Northridge has caused further distress and inconvenience and agree she should be paid £200 for the distress and inconvenience caused here.

### **Putting things right**

I instruct Northridge to carry out the following to put things right here:

- End the agreement with nothing further to pay.
- Collect the car at no cost to Miss S (I believe this has already been done, if she was charged, please refund that charge).
- Refund Miss S's deposit and part exchange contribution which I believe total £3,525.46.
- Refund Miss S for any monthly payments paid since 1 June 2023.
- Refund Miss S £81.60 for the garage report she had prepared on 30 May 2023.
- Pay 8% simple interest on all refunded amounts above from the date of payment until the date of settlement.
- Pay £200 for the distress and inconvenience caused to Miss S from the faulty car and the difficulty she has had in resolving this.
- Remove any adverse information from Miss S's credit file in relation to the agreement.

### **My final decision**

I am upholding this complaint and instruct N.I.I.B Group Limited trading as Northridge Finance to carry out the above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept

or reject my decision before 25 July 2024.

Paul Cronin  
**Ombudsman**