

### **The complaint**

Ms K is unhappy with a car supplied under a hire purchase agreement provided by N.I.I.B. Group Limited trading as Northridge Finance ('NF').

### **What happened**

In June 2023 Ms K acquired a used car under a hire purchase agreement provided by NF.

The car was just under five years old and had covered around 51,169 miles. The total cash price of the goods is recorded on the agreement as £29,998. Ms K part exchanged her previous car for £11,400 and a cash deposit is recorded on the agreement of £2,101. Ms K was due to repay £390.99 a month for 59 months, with a final repayment of £400.99.

At the beginning of July 2023 Ms K complained to the dealer. She said the car had worn rear tyres, a scratch on the boot and the car was making a squeaking sound. The dealer then told Ms K to take the car to a third party garage for a diagnostic check.

Following this, the dealer then replaced the rear discs and pads along with a wear sensor. But Ms K says the dealer did not use manufacturer branded brake pads. And she said the squeaking noise was not put right.

Ms K told the dealer she wanted to get a full refund back as well as the return of the car she had part exchanged.

Ms K then complained to NF, setting out the same reasons above.

Ms K didn't receive a response from NF and so raised the complaint with our service. Ms K said that the car had a "*whole host of problems*" and these were never corrected by the dealer. She said she had exercised her short term right to reject. She also said the dealer's website explained all cars should've had a mechanical and safety inspection.

Our investigator issued a view. She explained, in summary, that there was limited information that the brakes were faulty, but as these and the wear sensor had been repaired without cost to Ms K that there wasn't anything further to put right. She said there was no requirement for original first party parts to be used for a repair. And she said there was no evidence of squeaking. Our investigator also explained that on a second hand car she didn't think a scratch would make it of unsatisfactory quality.

Ms K disagreed. She sent in an estimate from a third party garage dated 31 January 2024 that she said showed repairs needed to be carried out to the left and right hand driveshafts. The estimate for these repairs was for £2,316.20.

Our investigator explained the estimate was from seven months after Ms K got the car, didn't show the milage and had no commentary on. So she said this didn't change her opinion.

Ms K then provided what she said was a diagnostic from another third party garage. This was dated March 2024 and the milage was recorded as 56,587. This noted an issue with

*"front judder and suspension noise".* It said the problem could be caused either by the transfer box or suspension strut mounting area. It said it would have to strip down the suspension, driveshaft and transfer box to establish the cause of the problem.

Our investigator said the diagnostic didn't confirm what any current issue with the car was. And so she said she didn't think this showed the car was of unsatisfactory quality at the point of supply.

Ms K remained unhappy, so the complaint has been passed to me to decide.

### **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.

Ms K complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Ms K's complaint about NF.

Firstly, I'd like to explain to both parties that I may not comment on every point raised nor every piece of evidence. I'll instead focus on what I think are the key facts and what I consider to be the crux of Ms K's complaint. This reflects the informal nature of our service.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – NF here – needed to make sure the goods were of 'satisfactory quality'. Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors.

I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description.

I'll consider that Ms K's car was around five years old and had covered over 50,000 miles. So, I don't think a reasonable person would expect it to be in the same condition as a newer, less road worn one. But, it did cost nearly £30,000. Given this, I think a reasonable person would expect it to have been free from anything other than minor faults and would expect trouble free motoring for some time.

What I need to consider in this case is whether the car was of satisfactory quality or not when it was supplied to Ms K.

I've firstly considered the issue with the brakes and sensor. There is somewhat limited information here. But I don't think I need to make a finding as to whether this issue meant the car was of satisfactory quality or not. I say this because even if I thought it did, the car was repaired free of charge to Ms K. A repair is a remedy set out under the CRA, so whatever happened here, I'm satisfied Ms K's rights were broadly met.

I've thought about what Ms K said about third party items being used in the repair. But Ms K's car was not brand new, so I don't think this is unusual. I haven't seen anything to suggest the repairs weren't effective. So this doesn't change my opinion.

In relation to the scratch on the boot, I've seen no further evidence of this apart from what Ms K has said about it. Given the age and mileage of Ms K's car, I think a reasonable person may expect the bodywork to have some marks. Considering the lack of evidence here, I

haven't seen enough to persuade me a scratch on the boot, if present, made the car of unsatisfactory quality.

I've then considered the squeaking noise Ms K complains about. Again, it's important to explain there is a lack of evidence here. While Ms K has given a brief description, I have no expert testimony, reports, videos nor recordings. So it's very difficult to judge what noise, if any, was present and whether this would mean the car was of unsatisfactory quality.

I've considered the recent evidence from Ms K that she says shows an issue. The estimate from January 2024 says:

***"COMPLETE DRIVESHAFT LH + RH"***

But it contains no other details nor any reference to the issues Ms K raised with NF.

The invoice from March 2024 states:

*"Carried out an inspection and diagnostics to front judder and suspension noise*

*Found that the problem could be caused by either Transfer box or suspension strut mounting area*

*In order for us to fully establish the cause of the problem we will have to strip down Nsf suspension, driveshaft and transfer box."*

While this does reference a 'suspension noise', there is no further commentary nor evidence to link this back to any noise Ms K may have experienced when she acquired the car. I've had in mind this invoice doesn't actually diagnose what any fault is – it explains it is either a transfer box or an 'area' of the car. And I've considered this invoice is from around nine months after Ms K got the car and after it had covered around a further 5,500 miles.

Considering all of this, I haven't seen enough to persuade me the car was making a squeaking noise when Ms K acquired it which meant it was of unsatisfactory quality. And I haven't seen enough to persuade me the recent invoice and estimate shows any link to an issue present or developing at the point of supply. Nor, given the lack of information and any testimony on these documents, do these persuade me the car wasn't durable when supplied.

I have considered that Ms K says she exercised her short term right to reject. But from what I've seen, it appears Ms K asked to reject the car *after* the repairs took place to the brakes. Even if I considered this issue meant the car was of unsatisfactory quality, I haven't been shown these repairs were unsuccessful. So I don't agree Ms K had either the short term nor final right to reject the car when she asked to return it.

I want to reassure Ms K that I've considered all the other points made. But these do not change my opinion.

## **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 17 September 2024.

John Bower  
**Ombudsman**