

The complaint

Miss S complains about a car N.I.I.B. Group Limited trading as Northridge Finance (“Northridge”) supplied to her under a hire purchase agreement (“HPA”) wasn’t of satisfactory quality.

What happened

In November 2023 Northridge supplied a car to Miss S under a HPA, it was about six years old and done around 57,000 miles at the point of supply.

A couple of weeks after collecting the car Miss S said she noticed a lot of smoke emitting from the exhaust, the car was also juddering excessively when she used the clutch. In December 2023 Miss S got in touch with the supplying dealership and explained the issues she was experiencing with the car.

Miss S took the car to the supplying dealership and was informed soon after that the clutch and dual mass fly wheel needed replacing. The car was booked in for repairs in January 2024 and Miss S was provided with a courtesy car in the meantime. Repairs to the clutch, dual mass and flywheel were undertaken but unfortunately the issues returned soon after Miss S had collected the car.

Following this, Miss S had lost faith in the dealership and so went to an independent third-party garage to carry out a health check of the car. The health check revealed the engine oil was excessive and required immediate attention, as well as the wiper blades needing replacing. It also confirmed that there was a clutch judder present on an incline, and it required the components to be stripped to check the cause of the problem.

In February 2024, Miss S complained to Northridge. She explained the series of events as outlined above and stated she wanted to reject the vehicle. Northridge sent Miss S an acknowledgement in April 2024, it apologised for the length of time it had taken to investigate the complete and told Miss S she was entitled to refer her complaint to this Service if she remained unhappy.

One of our Investigator’s looked into things, she had requested information from Northridge but it didn’t supply her with any evidence to consider. So, she based her opinion on the information Miss S supplied. Based on this she upheld the complaint and said, amongst other things Miss S was entitled to reject the car. Northridge replied to say the matter was being considered by the supplying dealership, but we haven’t heard from it since. Our Investigator gave it further opportunity to respond but didn’t hear back. In the interest of resolving the complaint it 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.

Having done so, I’ve reached the same overall conclusions as our Investigator and for

broadly the same reasons, I will explain my reasons below.

I'd like to reiterate that Northridge hasn't provided me with much evidence to consider, despite it been given several opportunities to do so. The decision is based predominantly on information provided by Miss S and very limited information provided by Northridge. It has also been a considerable amount of time since we last heard from it and so in the interest of resolving this complaint and allowing Miss S to move on, I'm proceeding to issue my decision.

The HPA entered by Miss S is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Northridge is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Miss S entered. Because Northridge supplied the car under a HPA, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods. Satisfactory quality also covers durability.

Having considered what the CRA sets out about durability, the expectation here is that goods will last for a reasonable amount of time. Miss S acquired a used car, it was about six years old and had travelled around 57,000 miles. I accept that it is reasonable for a used car of this age and mileage to show signs of wear and tear and this will be reflected in the price of a used car, when compared to how much it would have cost new. But just because the car was used with some mileage, doesn't mean Northridge has no requirements in relation to satisfactory quality.

Based on the information I have I don't think there's a dispute about there being a fault with the car. I say this because Miss S has provided detailed credible testimony, I also have correspondence between Miss S and the dealership regarding the repairs and courtesy car provided, as well as video evidence showing large amounts of smoke coming from the car. I also have a copy of the health check report confirming there is excessive engine oil present and there is a judder when operating the clutch on an incline. It follows that I'm satisfied there is a fault with the car.

Its normal to expect some wear and tear, particularly in a second-hand car and I accept that components such as replacing window wipers are likely to be considered usual wear and tear. But I have considered what Miss S has said, the main issue Miss S complains about appears to be an ongoing judder when using the clutch, particularly when on an incline. She has indicated this has made the car uncomfortable to drive and meant she has not felt safe using it. So, this is the issue I have focused on.

Miss S has provided credible testimony to explain that the juddering was evident only a few weeks after collecting the car. Very soon after this she reported the issue to the dealership and repairs were undertaken in January 2023. Whilst I have no job cards or invoices relating to this repair, I do have correspondence between Miss S and the dealership about repairs being undertaken and so I'm persuaded this did happen. Miss S was also supplied with a courtesy car and again, I have correspondence from both Miss S and the dealership to confirm this.

Miss S' credible testimony is backed up by the health check report and emails between her and the dealership detailing repairs carried out. I also have further emails about the issues and Miss S explaining that the repairs did not remedy the faults.

I have considered the repair attempt that was carried out for the juddering issue and from the correspondence I have, including the independent health check I am satisfied the issue was repaired and remained. The health check confirmed:

"Brakes/Clutch/Transmission OP Clutch judder on incline requires strip to check cause of problem".

This also suggests to me that the fault was present when the car was supplied and that the repairs carried out in January 2023 didn't correct the problem. I'm persuaded, on balance, that the car was not of satisfactory quality when it was supplied, in particular it wasn't durable as the same fault occurred soon after repairs were carried out.

I have turned my mind to whether in the particular circumstances here a reasonable person would consider the goods to be of satisfactory quality. I've had regard to the age and mileage, as well as the events outlined above. I have also had regard to how soon Miss S reported the problem with the car which was discovered within weeks of Miss S using it. This shows it was likely present when she acquired the car rather than something which developed later. It seems that the juddering issue required immediate attention with attempted repairs carried out soon after.

On the face of it the evidence persuasively points to the original issue with the juddering when operating the clutch has not been remedied effectively. I appreciate there will be an element of uncertainty in cases like these – however, I need to decide what is most likely to be the case. And the evidence here points to the original issues which were present within weeks of taking the car (and causing the car to fall below the standard a reasonable person would consider satisfactory) being ongoing. Therefore, I have considered what remedy would be a fair one to put things right. I note that the CRA allows a supplier to make one attempt at repair before the consumer can claim other remedies. Here it appears there has been an attempt to remedy the juddering which has not rectified the issue, so I have considered other remedies including the final right to reject.

In summary I think there is persuasive evidence to show the car was of unsatisfactory quality when supplied to Miss S, so I think rejection is a fair remedy here. Northridge should therefore take back the car at no further cost or inconvenience to Miss S, end the finance agreement and refund her the value of any deposit and part exchange contribution.

I note Miss S didn't have use of her car when it was undergoing repairs and even before this when she reported the issue to the dealership. But I've also considered that she was supplied with a courtesy car during this time at no extra cost, so I won't be recommending she receives a refund for loss of use during this time. I've also thought about what Miss S has said about the courtesy car and I'm minded to agree with our Investigator here. Miss S has said the courtesy car supplied was in poor condition, it was dirty and littered when she received it. I accept this would have been distressing and for this I will consider compensation for the distress and inconvenience caused.

Miss S will not get a full refund of her payments up until the car was returned to her after the repair in January 2024 because prior to this she had use of the car. Considering all that has happened here, and that Miss S wanted to reject the car after the failed repair attempt, I think she should receive a refund of rentals from 23 January 2024 (when the health check was carried out).

I think Miss S was no doubt caused some overall inconvenience as a result of being supplied a car that wasn't of satisfactory quality. I say this because there was a lot of back and forth with all parties involved, this would've caused further inconvenience. I think it's fair and reasonable in this case to say Miss S has suffered distress and inconvenience in spending time and effort in bringing her complaint and so for this I think Northridge should pay £250.

Putting things right

Northridge need to put things right here by:

- Taking back the car and cancelling the hire purchase agreement with nothing further owed.
- Refund the customers deposit and part exchange contribution.
- Refund the customer all rentals for the period from 23 January 2024 to the date of settlement.
- Pay 8% simple yearly on all refunded amounts from the date of payments made to the date of settlement.
- Collect the car at no further cost to Miss S.
- Remove any adverse information from Miss S' credit file (if applicable).
- Pay £250 for any distress and inconvenience caused.

My final decision

My final decision is I uphold this complaint and direct N.I.I.B. Group Limited trading as Northridge Finance to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 16 April 2025.

Rajvinder Pnaiser
Ombudsman