

The complaint

Mrs D complains that a car she acquired under a hire purchase agreement through N.I.I.B. Group Limited trading as Northridge Finance was of unsatisfactory quality.

What happened

In April 2024, Mrs D acquired a used car through a hire purchase agreement with N.I.I.B. Group Limited (Northridge). The cash price of the car was £22,499. She paid a deposit of £6,499, with the remaining balance to be paid over 59 monthly payments of £425.34 followed by a final payment of £435.34. At the time of supply, the car was around four years old, and had a mileage of 58,025.

The next day, Mrs D noticed several issues with the car. She said there were some scratches and dents, and the car was generally unclean. She also noticed scuffs to the interior lining and a small hole in the fabric. She said she paid extra for a detailing service before collecting the car, so expected any cosmetic defects to be resolved. She was also unhappy she'd only been given one key, and that the key's battery was low and needed to be replaced.

Mrs D asked the dealership to take the car back. She said she collected the car in the evening, and the collection area was poorly lit – so she couldn't see the car clearly and wasn't aware of the cosmetic defects when collecting it. The dealership said it couldn't take the car back, so Mrs D complained to Northridge that the car wasn't of satisfactory quality. Northridge considered Mrs D's request but didn't allow her to reject the car. It said the cosmetic damage she'd reported was typical of a used car and would have been visible upon inspection. It also said it's not unusual for used cars to only have one key.

The complaint was referred to this service. One of our Investigators considered the complaint but didn't uphold it. They didn't think any of the issues Mrs D reported meant the car wasn't of satisfactory quality and noted that Mrs D had the opportunity to inspect the car before collecting it.

Mrs D didn't agree. She said she'd paid extra for a detailing service, which the dealership had assured her would remove any cosmetic defects. She said that under the Consumer Rights Act she had the right to reject the car within 30 days. Because the complaint couldn't be resolved informally, it's 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.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is likely to have happened given the available evidence and wider circumstances.

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.

Mrs D was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we can investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mrs D entered. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Mrs D 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.

In this instance, it's not disputed that the car was supplied with some scratches and dents, and that there was a small hole on the interior fabric. I've considered whether these cosmetic defects meant the car wasn't of satisfactory quality, taking all the circumstances into account.

The car was around four years old and had a mileage of 58,025. So, it's reasonable to expect that the car would have some degree of wear and tear, and that it wouldn't be completely free from cosmetic defects or general uncleanliness. Having looked at the photos provided by Mrs D, I think the cosmetic defects and cleanliness issues she's highlighted are normal wear and tear in line with the age and mileage of the car.

Mrs D says she paid an extra amount for a detailing service, so expected the car to be free from cosmetic defects. I've looked at the purchase invoice and can see that Mrs D purchased the application of a body protection product – designed to protect paintwork. I haven't seen anything from the sales documentation to suggest Mrs D also purchased a detailing service that would remove scratches or dents from the car.

In any case, Mrs D had the opportunity to inspect the car before collecting it – so could have seen that the cosmetic defects were still present. I appreciate Mrs D says the collection area was poorly lit, making it difficult to inspect the car – but I would have expected the issues she's highlighted to be visible, even with limited lighting. So, I don't think the cosmetic defects highlighted by Mrs D meant the car wasn't of satisfactory quality.

Mrs D was also unhappy the car was only supplied with one key, and that the key's battery was low when it was supplied to her. I don't think the fact there was only one key meant the car was of unsatisfactory quality, as used cars won't always be supplied with multiple sets of keys. I've looked at the advert and sales invoice, which don't suggest that the car would be supplied with more than one set of keys. The purchase invoice also specified that the car did not have a spare key. As Mrs D signed this document, I'm satisfied she ought reasonably to have been aware that the car would be supplied with one key.

A key battery is a consumable item which will require periodic replacement – so I don't think the battery being low meant the car wasn't of satisfactory quality. But I can appreciate it would have come as a disappointment to Mrs D to discover that she needed to replace the

key battery so soon, and that doing so might have been inconvenient.

I appreciate Mrs D feels that because she returned the car within 30 days, she has the right to reject it under the CRA. But that's only true if the car wasn't of satisfactory quality when it was supplied – and for the reasons I've explained I don't think that was the case. So, I don't think Northridge acted unfairly by not allowing Mrs D to reject the car. I understand this will come as a disappointment to Mrs D, but I won't be requiring Northridge to do anything further.

My final decision

My final decision is that I don't uphold Mrs D's complaint about N.I.I.B. Group Limited trading as Northridge Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 25 April 2025.

Stephen Billings
Ombudsman