

The complaint

Ms R complains about the quality of a vehicle that was supplied through a hire purchase agreement with N.I.I.B. Group Limited (NIIB).

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which is attached at the end of this final decision. My provisional decision should be read and considered in conjunction with this final decision.

I sent Ms R and NIIB my provisional decision in May 2025. I explained why I thought the complaint should be upheld. I invited both parties to make any further comments.

NIIB didn't respond to my provisional decision. However, Ms R made some further comments which I'll address below.

Now both sides have had an opportunity to comment, I can go ahead with my 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.

Ms R has made lengthy submissions in response to my provisional decision. I have considered all of what it has said. The response included commentary and challenges to some of the conclusions I had reached. I'll address what I consider to be the main points Ms R has raised and explain why these don't change the outcome I've reached.

Within her response Ms R made the following key points:

- What happens to the value of the deposit grant scheme, and its financial benefit should be replicated in a future finance agreement
- All repayments should be refunded including the full private hire costs
- The proposed compensation payment of £500, in recognition of the mental and physical ramifications of the situation is inadequate
- The cost of the windows should be reimbursed
- Compensation for lost working days should be paid
- Compensation should be given for a worsened financial situation
- Discrepancy in the timeline.

The above list is not exhaustive, but a summary of what I considered to be the main points raised in Ms R's response to my provisional decision. I know that I've summarised it in far less detail and in my own words. To be clear, I've considered all the information provided by both parties in relation to this complaint, however, to maintain the informal approach of this service I've focussed on what I've considered to be the main issues here. Our rules allow me to do this. If I've not commented on a specific point raised, it's not because I've ignored it. I

haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

The grant scheme and future motor finance

The funds from the clean air grant hadn't originated from Ms R, for example from her savings, so I don't think it's fair that in rejection of the vehicle she should benefit from it. I'm not familiar with any specific agreements that the local councils may have with motor finance companies, in relation to this grant system. So, NIIB may need to make the necessary arrangements with the scheme organisers, ensuring the necessary procedures of the scheme, in circumstances like these are followed, and to ensure Ms R's statutory rights are not adversely affected as a result of the agreement ending prematurely.

Ms R advised the government scheme to she used to support her original deposit was no longer available and that she should be compensated as a result of the loss of that financial support. I recognise Ms R feels strongly about this, but I don't think it'd be reasonable to hold NIIB responsible for the constraints or criteria of a benefits scheme that isn't theirs. Any restrictions that are imposed on the scheme are likely to have been set at source. Ms R may decide to raise this matter with the originators of the scheme if she feels she's unfairly losing out on its benefits. I don't doubt what Ms R has told us about her ability to benefit from the grant, but I'm not persuaded NIIB has any say over the terms of the grant and its period of validity, so I'm not persuaded they should be held accountable for this.

Future finance

Ms R believes she should be given the equivalent of zero percent on any future finance. This is to reflect the circumstances she would have had, if the vehicle was of satisfactory quality. Having thought about this, I don't think it's reasonable to expect NIIB to do so. Financial offers in motor finance are available at different times and with various lenders. I'm not persuaded that it would be appropriate to replicate the exact scenario Ms R was in when she acquired the vehicle from NIIB. Similar to when she entered into this agreement with NIIB, I think it's reasonable and fair that Ms R has the option to benefit from the offers or finance options that are available to her at that time. For example, if a better offer is available in the future with a deposit scheme, Ms R should be free to choose this if she wishes without it being tied to a particular condition of her previous circumstances.

All repayments should be refunded including the full private hire costs

In her response to my provisional decision, Ms R acknowledged the proposed refund covers the period of non-use of the vehicle. However, I don't think it'd be reasonable to instruct NIIB to refund all repayments on the basis the vehicle wasn't of satisfactory quality. I acknowledge Ms R feels she didn't get what she had intended, but she did have a degree of usage, and it would be fair that Ms R benefit from free usage. So, I consider it reasonable that she pays for any usage she had.

£500 in compensation is an inadequate recognition of the mental and physical ramifications of the situation

Ms R has said she feels the proposal of £500 is inadequate and insulting. I'm sorry to hear Ms R feels this way. I can assure her that is not the intention. Ms R has described the impact the situation has had on her health. I don't doubt what Ms R has said in her response to my provisional decision about this, but I don't think it'd be reasonable to hold NIIB responsible for any condition that Ms R may be vulnerable to. I don't consider that NIIB's actions were the cause of a particular condition whether that be physical or mental. I don't doubt this

situation may have exacerbated certain aspects for Ms R, but I don't hold NIIB wholly responsible for this, and as such I've considered that they've provided a vehicle that was of unsatisfactory quality and they should then consider putting things right for Ms R, in relation to the finance agreement that was put in place.

Reimburse the cost of the windows

In her response, Ms R confirmed that the installation of the windows in the vehicle was to prepare it for its intended use. I acknowledge Ms R didn't get the opportunity to fully realise her intentions with it. I think it's reasonable to conclude that it was her choice to make those optional amendments. And so, it's not something I believe NIIB should be liable for.

Pay for lost working days.

Ms R maintains that she spent a significant amount of her time dealing with the circumstances of her complaint. I don't doubt what Ms R has told us, for example about the opportunities she missed as a result; but having thought this carefully I don't think NIIB should be held responsible for any loss of work. For example, I've not seen that NIIB requested or directed her to manage her complaint in the way she did. I'm not suggesting Ms R should have done things differently, I'm concluding that it was her choice to handle things in the way she did which may have impacted her work opportunities in various ways. I don't think it'd be fair to hold NIIB responsible for this.

Compensation should be given for a worsened financial situation

My position on this point remains unchanged as I don't consider NIIB are responsible for Ms R's financial situation. I recognise Ms R's strength of feeling that further debt was incurred as a result. However, Ms R ceased paying towards the agreement in February 2024 which I think it's fair to conclude, would have alleviated some financial burden on her; in addition, in her response Ms R confirmed the payments for the private hire vehicle were deferred, meaning she hasn't yet had to pay for it, this also may have alleviated some financial stress on her. I don't doubt this situation would have given Ms R some added inconvenience; however, I have no evidence that NIIB pressured or advised Ms R to enter into further lending as a result of the vehicle. It's reasonable to conclude that acquiring further debt was Ms R's choice which it appears she made independently.

Discrepancy in my timeline.

Ms R pointed out that there appeared to be a conflict in the timeline of my Provisional decision. The provisional decision should read that Ms R ceased paying for the agreement from February 2024, as confirmed by both parties. The amendments to the timeline as described doesn't impact any findings within my decision. However, I think it's reasonable to clarify this point.

I still consider my provisional decision to be fair and reasonable in the circumstances. Neither party has added anything which gives me cause to change these. Therefore, for the reasons as set out above and in my provisional decision, I'm satisfied that the vehicle NIIB provided to Ms R wasn't of satisfactory quality when it was supplied. So, my final decision is the same.

I recognise that this decision is likely to be disappointing for Ms R, however I can assure her that I've considered all the evidence provided and believe on balance that my provisional findings are fair in all the circumstances.

My final decision

My final decision is that I uphold Ms R's complaint about N.I.I.B. Group Limited and instruct them to:

- collect the vehicle at no additional cost to Ms R
- end the hire purchase agreement and remove it from Ms R's credit file
- refund the deposit Ms R paid, inclusive of any part exchanged amounts (if any part of this deposit is made up of funds paid through a dealer contribution, NIIB is entitled to retain that proportion of the deposit)
- refund to Ms R her monthly repayments from December 2023 to February 2024, when she stopped making her repayments
- upon proof of payment, reimburse the tax and insurance Ms R paid on the van whilst she was unable to use it from December 2023 to the date it was SORN
- reimburse to Ms R the SORN insurance costs related to the van (if the van is collected prior to the expiration of insurance the amount should be prorated to reflect this)
- upon proof of payment, reimburse to Ms R the storage costs for the van as described in my decision
- upon proof of payment, reimburse to Ms R the costs she incurred to have the van inspected twice in December 2023
- refund the difference between her hire purchase agreement and the private agreement she took out from when she started the private hire in December 2023 to the date of settlement.
- Pay £500 to Ms R in recognition of the distress and inconvenience this situation has caused her
- Pay 8% simple interest on all refunds and reimbursements from the date of payment to the date of settlement.

If N.I.I.B. Group Limited considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Ms R how much it's taken off. It should also give Ms R a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 22 July 2025.

Benjamin John
Ombudsman