

## **The complaint**

Mr G complains that a car he acquired through a hire purchase agreement financed by N.I.I.B Group Limited trading as Northridge Finance ('Northridge') is of unsatisfactory quality.

## **What happened**

In December 2022, Mr G took out a hire purchase agreement to finance a new car. The car cost £65,790 and Mr G made an advance payment of £200. The remaining balance was due to be repaid in 48 instalments of £1,124.20 followed by a final payment of £28,150.

Mr G said that following acquisition of the car he experienced loud interior trim noises from within the cabin of the car, which increasingly became louder and more distracting. Mr G added that the car doesn't always power up when initiated to do so or does so inconsistently. This in turn means the car system has had to be rebooted on several occasions to initiate the start-up procedure.

Mr G reported the problems to the manufacturer's service centre. It appears that some repairs were undertaken in May 2023. Mr G said this resolved the noise coming from the tailgate of the car, but not the entire problem.

Mr G instructed an expert to carry out an independent inspection, which took place on 15 August 2023. The expert said the car started readily and he couldn't recreate the problems Mr G reported about the car intermittently not starting as expected. The expert noted loud trim vibration noises from the nearside right area, the offside B post area, the nearside fascia area and the very rear of the car, which he'd not expect to see in a car of this age, mileage and standard. The report said the intermittent start up issue had been reported to the manufacturer (who I shall call "T" going forward) and posed a safety risk.

Mr G said he called Northridge to complain on 20 August 2023. He followed this up with an email on 20 September 2023 to ask Northridge how he could go about rejecting the car. When Mr G hadn't had a response he contacted Northridge again on 15 November 2023, enclosing a copy of the August 2023 expert report and again asking to reject the car.

Northridge confirmed that they'd received Mr G's complaint and began their investigation. However, they didn't provide a complaint response to Mr G within eight weeks, and so Mr G contacted our service for help in early January 2024. Despite several requests Northridge didn't provide their business file. And so our investigator determined the complaint based on the available evidence, which included a copy of the agreement, the expert's report, a job card from T and screen shots showing resets.

Our investigator ultimately concluded that Mr G's complaint should be upheld and set out the steps he thought Northridge should take to put things right for Mr G. Northridge didn't respond to our investigator, so the complaint was passed to an ombudsman to decide. In the meantime, Northridge sent some correspondence they had with Mr G and the credit intermediary, who I'll call "D". Our investigator reviewed it, but said his opinion remained unchanged.

Northridge later provided some more information. They said Mr G had initially reported noises from the rear car in May 2023, and that this was resolved by T. A further concern about noises emitted from the car's interior were raised with T in late June 2023, but Mr G failed to schedule an appointment for further investigation.

Northridge went on to say that the next complaint of 'cabin rattles' wasn't recorded until early February 2024, with further complaints in March and April 2024. They said noises aren't covered under the car's warranty and so Mr G would need to agree to a quote for service – which he refused to do in March and April 2024.

Northridge said T had no record of the car failing to power-up in the way Mr G described, and the independent expert couldn't recreate the fault, so Mr G's claim couldn't be substantiated. Finally, Northridge said the investigator based his opinion on the May 2023 repair having failed. But the expert's opinion was just that – an opinion – and there was no fact-based evidence to show a fault existed with the car in the first place. As T hadn't had a chance to inspect the car they couldn't determine the underlying problem. Northridge said they'd be happy to arrange an inspection if required.

The complaint then came to me for a decision. I issued a provisional decision on 6 February 2025. In that, I said:

*"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'm inclined to uphold this complaint, albeit for different reasons to that of our investigator. I also think Northridge need to do more to settle the complaint.*

*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 – Northridge 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. Here, Mr G was supplied with a brand-new car which cost over £60,000. It's fair to say that a reasonable person would have high expectations of such a car; for example, that it's free of even minor faults and that it provides a smooth driving experience.*

*What I need to consider here is whether the car was of satisfactory quality at the time it was supplied. There are two main concerns Mr G raised about the quality of the car, which I'll consider in turn. Before I do, I'd like to address some of the comments Northridge made about Mr G's interactions (or lack thereof) with T. I've asked Mr G for his recollection of the events Northridge set out, but he didn't reply.*

*T is the manufacturer of the car Mr G acquired. Mr G initially contacted T's service centre for help, which isn't unreasonable. But under the CRA, Northridge as the trader is responsible for the satisfactory quality of the car – not T. So, whether T has had a chance to inspect and repair the car is only relevant if Northridge instructed T to inspect the car on their behalf. I haven't seen anything to suggest that this happened.*

*What Mr G needed to do when it became clear that there were persistent issues with the car was to contact Northridge. Based on what I've seen I'm satisfied he did so as early as August 2023, and no later than September 2023. It was then Northridge's responsibility to assist*

Mr G, including to give an answer to his complaint. Again, the available evidence suggests that this didn't happen.

#### Noise emitting from the cabin interior

Mr G said the problems with noise coming from the car's interior started not long after he acquired the car. I can see Mr G took the car to T's service centre in May 2023. The evidence I've seen suggests that T undertook some repairs which resolved the noise coming from the tailgate. But Mr G said T didn't record all the issues he raised and didn't resolve those that weren't recorded.

I've thought about this carefully. In doing so, I've considered the expert's report from August 2023. This states:

*"Upon inspection the car did start up readily and a 14-mile road test was conducted, during the road test, loud trim vibration noise was noted from the n/s/r seat area, the o/s B post area, the n/s fascia area and from the very rear of the car. The owner also stated that a noise could sometimes be heard from the roof trim, although this was not heard during our road test.*

And:

*"I can confirm that there are unacceptable loud vibration noises being emitted from several of the interior trims, that you would not expect from a car of this age, mileage covered and standard."*

I don't agree with Northridge's assertion that the report simply contained the expert's opinion and that this somehow makes it less persuasive. The expert drove the car for around

14 miles and heard the noises emitted from various parts of the car's interior, so an independent expert has been able to draw an informed conclusion on the condition of the car. The report made no finding as to what was causing the noise and clearly stated that further inspection was required.

Even if the only noise related issue in May 2023 was the noise coming from the tailgate, by August 2023 there were further problems as witnessed by an independent expert. I note that the expert heard noise coming from the very rear of the car, so it appears that the May 2023 fault may have recurred. In isolation each problem might be considered minor, but in a brand-new car the cumulative effect would indicate an underlying problem that was present at the time of supply or that the car wasn't reasonably durable given how soon these issues materialised.

#### Power-up failures

Mr G said the car doesn't always start when initiated to do so and requires reboots to instigate the start-up procedure. When the independent expert inspected the car, it started readily. I don't think that means there wasn't a problem with power-ups. Mr G has been consistent in saying that the power-up failures were intermittent. He's also shown us system screen shots which he said show the re-boots required to restore normal start-up procedures.

The expert's report said:

*"I was unable to carry out a diagnostic check on the car as it would not recognise my diagnostic reader, but I am advised that whilst the car has been*

*taken to the [manufacturer] for checks to be undertaken they have been able to read the car's diagnostic history and see when the re-boots have been necessary although they cannot proffer an opinion as to the cause of this malfunction."*

*Based on the evidence I've seen I think it's more likely than not that Mr G had intermittent problems with the car not powering up as expected. Such issues occurring so soon in a car less than a year old would indicate that there was a fault present or developing at the point of supply. But even if these issues weren't present, I'm satisfied the issue with the noise make the car of unsatisfactory quality in any event.*

*Overall, I'm inclined to say that the evidence we've been supplied with shows that it's more likely than not that the car Mr G acquired in December 2022 was of unsatisfactory quality at the time of supply.*

### Remedy

*The CRA sets out the remedies available to consumers if the goods they were supplied with don't conform to contract. This includes the trader's right to repair. But in the circumstances of this complaint, I'm not inclined to say it's fair to give Northridge the chance to repair now. I'll explain why.*

*While I haven't seen Northridge's contact records, contemporary evidence in form of an email from Mr G to Northridge in September 2023 refers to a call the previous month. It appears Northridge didn't respond and didn't log Mr G's complaint until 15 November 2023, when he asked about rejecting the car again, and provided a copy of the expert report.*

*Northridge sent us copies of emails between them and the supplying dealership ('D'). D said they were having problems getting information from T. They eventually suggested that Mr G should contact T directly. And I'm aware that Mr G did contact T for help throughout. However, this doesn't take away Northridge's responsibility as the trader. I haven't seen anything to suggest that Northridge provided Mr G with a reasonable level of assistance when he complained about the car, or that they answered his complaint. Northridge's only substantive response to any of the issues raised, including our investigator's assessment, was in August 2024 – and this was to our service rather than Mr G.*

*The CRA sets out that Northridge, as the trader, are required to carry out any repair within a reasonable time and without significant inconvenience to the consumer. If it doesn't do so, then the consumer is entitled to reject the car.*

*Despite Mr G initiating contact with Northridge as early as August 2023, I haven't seen anything to suggest that Northridge offered to arrange an inspection of the car before August 2024 – around a year later. I don't think this is a reasonable timeframe.*

*If Northridge produces evidence to show they did assist Mr G following his complaint, I'd be happy to consider it alongside any other evidence either party may wish to provide in response to this provisional decision."*

Neither Mr G nor Northridge responded to my provisional 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.

As neither party has raised any additional arguments or provided further information for me to consider, I've got nothing further to add – my findings are unchanged from those set out above.

## **Putting things right**

The starting point is that Northridge should arrange for the collection of the car at no cost to Mr G. They should then end the agreement with nothing further to pay. Mr G paid a deposit of £200, and this should be returned to Mr G.

While there clearly were problems with the car, I can see Mr G was able to drive the car regularly – so I think it's fair for Northridge to keep the majority of the monthly rentals Mr G paid. But it's clear that the car wasn't performing in the way it should have, and this affected Mr G's driving experience. And so, I think Northridge should refund 10% of the payments Mr G made to account for the impaired use of the car from the time of supply to the date Northridge collect the car.

Experiencing problems with a brand-new car so soon after it was supplied would undoubtedly have been frustrating. Additionally, Mr G had to visit the manufacturer's service centre repeatedly when the car wouldn't start up. And he needed to make alternative travel arrangements on those days. All things considered I think Northridge should pay Mr G £200 to compensate him for the upset and inconvenience caused.

Mr G paid £120 for an independent expert report. He needed the report to show Northridge that the car they supplied wasn't of satisfactory quality. I've set out above why I consider the expert's opinion persuasive in showing there was a problem, and that Northridge ought to have acted on it. For that reason, I think Northridge ought to reimburse £120 to Mr G.

In summary, Northridge should do the following to resolve Mr G's complaint:

- end the agreement with nothing further to pay,
- collect the car, at no cost to Mr G,
- refund 10% of each monthly rental payment from the date Mr G acquired the car to the date Northridge collect it;\*
- refund Mr G's advance payment of £200\*,
- reimburse Mr G for the cost of the independent report (£120)\*,
- pay Mr G £200 compensation for the distress and inconvenience caused, and
- remove any negative information regarding this agreement from Mr G's credit file.

\* Northridge should pay 8% simple yearly interest on these amounts from the date of payment until the date of settlement. If Northridge considers that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr G how much they've taken off. They should also give Mr G a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

**My final decision**

For the reasons set out above, I'm upholding this complaint and I direct N.I.I.B Group Limited trading as Northridge Finance to take the steps outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 March 2025.

Anja Gill  
**Ombudsman**