

The complaint

Mr G complains about a car supplied to him using a hire purchase agreement taken out with N.I.I.B. Group Limited trading as Northridge Finance ("Northridge").

What happened

In April 2023, Mr G acquired a used car using a hire purchase agreement with Northridge. The car was around three and a half years old, the cash price of the car recorded on the agreement was £30,950, the agreement was for 49 months, made up of 48 regular, monthly repayments of £489.87, followed by a final payment of £14,298, which included a £10 option to purchase fee. The advance payment recorded on the agreement was £1,000. The mileage recorded on the agreement for the car was 29,245 miles.

An MOT was completed on the car in December 2022, less than six months before the car was acquired. The car passed with no advisories and its recorded mileage was 27,775 miles.

Mr G said he was told the car was fully serviced before it was supplied to him.

Mr G said within a few days of collecting the car, the tyre needed replacing. Mr G provided an invoice to show that a tyre was purchased in May 2023 for £140. Mr G believed the car's tyre needed replacing due to poor alignment. A photo was supplied to show a wheel alignment test completed on the car.

Mr G said he was told he would be reimbursed for the tyre replacement and wheel alignment test, but he said he is yet to receive all the funds.

Mr G also said the low oil sign illuminated on the car's dashboard and he thought there was an issue with the car's rear differential. Mr G said he took the car to a third-party garage who told him that the oil inside the differential was black, tarry and that the differential needed to be replaced. He said he was told that it was likely the car hadn't been serviced correctly.

Mr G also believed the car needed new brake pads and discs. He said the supplying dealership later replaced some pads, but not discs.

In around August 2023, Mr G complained to Northridge about the quality of the car. Mr G then referred his complaint to our service in April 2024 as he wasn't satisfied with Northridge's resolution.

An independent inspection was completed on the car in August 2024. The mileage of the car recorded on the inspection report was 38,959 miles. Within the report it explained that several videos about the car had been uploaded to social media sites – and one of those being a review of the car after it was acquired, leaving a positive review and no mention of issues with it. However, the report explained that the video was later removed.

The report later went on to explain, among other things, that the rear brake discs and pads were worn down to the metal. Of all the faults identified, the engineer who carried out the

inspection thought they were down to wear and tear and not issues that were present at the point of supply, considering around 9,700 miles had been driven in the car.

Mr G didn't believe all issues with the car had been investigated fully, such as the issue with the car's differential. Further comments were provided by the engineer who carried out the inspection. The engineer said they would have expected issues to have been apparent within 2,000 miles of the car being acquired if it was present or developing at the point of supply.

Our investigator didn't think Northridge needed to do anything further. The investigator explained that she was satisfied the car had faults in relation to some components, such as the tyres and brakes, to name a few. But didn't think there was enough evidence to show there was a fault with the differential. The investigator concluded that she didn't think any faults were present or developing at the point of supply.

Mr G didn't agree with the investigator's findings. Among other things, Mr G said photos early on showed thick and tarry oil in the car, which he thought would take several thousand miles to reach that condition and consistency. And so, he thought that showed an issue with the oil and differential must have been present or developing at the point of supply.

Mr G later provided a diagnosis completed by a third-party which he thought showed an issue with the rear differential, as well as damage to the car's rear driveshafts.

Our investigator considered the new information provided and explained that it didn't change their opinion. The investigator explained that following the new information provided, they accepted there was a fault with the car. However, the diagnosis didn't show the fault was present or developing at the point of supply.

As Mr G disagreed with the investigator's findings, the complaint was 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'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr G complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr G's complaint about Northridge.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Northridge here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr G acquired was used, around three and a half years old, had been driven around 29,250 miles and cost around £30,100. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn. But I think a reasonable person would also expect trouble free motoring for some time.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

Replacement tyre – Mr G has provided photos of a tyre which appears to be worn on its outer edge. Mr G also has provided an invoice of a tyre being replaced to the car in May 2023. So, from what I have seen, I'm satisfied there was likely an issue with the tyre that meant it needed to be replaced. However, I don't think that necessarily means the issue with the tyre meant there was a fault with the car under the CRA. I say this because, tyres can generally be considered wear and tear components of a car, as they naturally degrade over time and need to be replaced. And I'm mindful that a MOT was completed on the car around six months and 1,500 miles prior to the car being acquired. No advisories were mentioned in the MOT relating to tyres being worn or their tread being close to their legal limit. Mr G replaced the tyre around a month or so later after the car was acquired. So, had there been an issue with the tyre when Mr G acquired the car, I think it should have been raised at that point.

In summary, I'm not persuaded the tyre needing to be replaced is a fault with the car.

Wheel alignment – Mr G has supplied a copy of a test completed on the car to show that some of its tyres were misaligned. While I accept the test completed suggested some of its tyres were misaligned by a couple of degrees, I don't think this necessarily means there was a fault with the car. I say this because, generally, it is recommended a wheel alignment is carried out after a tyre change, as new tyres fitted can affect the alignment of wheels. And this test was completed around the time a new tyre was being fitted to the car. So, I'm not satisfied this meant it was a fault with the car as tyres were being changed at the time the wheel alignment test was being carried out.

Brake pads and discs – Mr G has provided photos to show the condition of the brake pads and discs. An independent inspection report carried out also said the rear brake discs and pads were worn down to the metal. However, I don't think that necessarily means the issue with the brakes and discs meant there was a fault with the car under the CRA. I say this because, brakes and discs can generally be considered wear and tear components of a car and will naturally degrade as they are used and will need to be replaced over time. And again, I'm mindful that a MOT was completed on the car around six months and 1,500 miles prior to the car being acquired. No advisories were mentioned in the MOT relating to its braking system being worn or nearing the end of its lifespan. So, had there been an issue with components relating to the braking system when Mr G acquired the car, I think it should have been raised at that point.

Battery – Mr G has supplied photos to show a notification appear on the car's dashboard, saying "Auxiliary battery malfunction". The independent inspection carried out to the car also said that when they attempted to start the car, they noted the battery was dead.

Normally, I wouldn't expect there to be a fault with the car's battery within four or so years of a car's lifespan. However, I'm mindful that the car was left dormant and unused for a significant period – for over a year as the car was uninsured from around August 2023 to

when it was inspected in August 2024. A battery can go flat if it isn't charged regularly and is left unused. I'm also mindful that Mr G was able to drive the car from the point of supply up until around August 2023, using the car's battery. Considering things here, I'm not satisfied that the issue with the battery was because of the car having a fault at the point of supply.

Oil degradation, rear differential and rear drivetrain – Mr G has recently supplied a diagnostic report completed in April 2025 which explains there to be a fault with the rear differential and rear drivetrain. The report said:

“Upon inspection of rear drivetrain it is apparent that both rear inner drive shaft CV joints are damaged. Removal and disassembly of the rear differential shows poor oil condition suspect due to clutches in the differentials engagement system sticking on locking the rear driveshafts when unnecessary resulting in damage to CV joints.

This will require replacement drive shafts, differential clutch assembly and all necessary parts for re-fitting.”

Given the findings of the diagnostic report, I'm satisfied there is a fault with the car, specifically to the rear differential and driveshafts.

Was the car of satisfactory quality at the point of supply?

I now need to consider whether the fault was present or developing at the point of supply, which meant the car wasn't of satisfactory quality.

Mr G previously supplied photos of what he believes shows the car to have had thick and tarry oil. The photo shows the oil being drained from the car and Mr G says it suggests the car was poorly maintained, which he was surprised by as the car was advertised with a full-service history.

Mr G hasn't been able to provide job sheets or a report from the mechanic who carried out the oil drain. But he says he was told by the mechanic that there was an issue with the rear differential due to the oil degradation.

On the other hand, an independent engineer has explained that he was unable to inspect the rear differential as the car couldn't be started (due to a flat battery). But the engineer went on to explain that had there been an issue with the rear differential and oil at the time the car was supplied, then it would have been apparent much sooner than when the issue presented itself.

While I accept Mr G has provided some photos of oil being drained from the car, the photos don't give context as to whether the issue was present or developing at the point of supply. And I'm also mindful that the recent diagnosis completed on the car in April 2025 to determine the fault (around two years after the point of supply) also didn't explain when the fault likely occurred. So, given the limited information I have, I'm persuaded by the comments made by the independent engineer when he reached the findings he did.

In summary, I'm not persuaded from what I have seen that the fault was present or developing at the point of supply.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require N.I.I.B. Group Limited trading as Northridge Finance to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 May 2025.

Ronesh Amin
Ombudsman