

The complaint

Mr M is complaining about the quality of a vehicle supplied to him by N.I.I.B. Group Limited trading as Northridge Finance (Northridge).

What happened

In June 2022, Mr M entered into a hire purchase agreement with Northridge to acquire a car. The agreement states the deposit was £13,779.30 (£500 cash and £13,279.30 part exchange) and Mr M borrowed £34,111.70 – the cash price of the vehicle was £47,891. The agreement required Mr M to make 48 monthly payments of £473.77 and a final payment of £19,624 if he wanted to keep the vehicle.

Mr M said he first experienced a fault with the car in January 2023 – he says the digital dashboard stopped working, meaning that he couldn't see vital information, including, for example, his speed or fuel tank indicator. He's told us he was also unable to use all the associated controls (like heating or entertainment) when the screens went blank.

Mr M said he reported the fault to the dealership in February and they suggested contacting the manufacturer. The manufacturer tried to repair the vehicle four times between February and May 2023. Mr M contacted the dealership again in May 2023 and told them the fault had happened several times. He explained the issues and said he didn't want to keep the car once it was out of warranty as he had no confidence in it being fixed. The dealership weren't willing to accept a rejection without first trying to fix the issue. They said they'd pay £37,000 for the car and suggested getting a settlement figure from Northridge.

In July 2023, Mr M contacted Northridge and said by that time the fault had occurred 16 times and it seemed the screens could go blank at any time. He said he no longer wanted the vehicle as he didn't think it could be fixed. Mr M asked Northridge if they could help. In their response to Mr M, Northridge said that because the fault occurred more than six months after Mr M acquired the car, he needed to prove that the faults were present at the time of supply. They said he hadn't done that and therefore they didn't uphold his complaint.

In February 2024, Mr M again tried to pursue rejection with the dealership, but they said he'd need to return the vehicle to them to confirm the fault and attempt a remedy before they'd be able to accept a rejection. Mr M was unhappy with this and brought the complaint to our service.

One of our Investigators looked into Mr M's complaint and issued an opinion saying that the car hadn't been of satisfactory quality at supply and Northridge needed to arrange repairs to the car. Northridge didn't respond to this for over three months. By the time they'd accepted our Investigator's view, Mr M didn't want to accept it – he felt that given the time taken he should be allowed to reject the car. So the complaint needed an Ombudsman's decision. Before that happened, the car was written off in an accident.

Because of the change in circumstances another Investigator reviewed the complaint and issued a second opinion. This opinion said that the car wasn't of satisfactory quality when Northridge supplied it and due to the time taken by Northridge to deal with the matter, Mr M now had the right to reject it. Our Investigator said that considering everything in the round,

Northridge should refund Mr M's deposit and write off the balance on the agreement. And he said Northridge should pay Mr M £450 to reflect the distress and inconvenience the situation had caused him.

Mr M accepted our Investigator's view but Northridge didn't respond. Because of this, the matter came to me for a decision. I issued a provisional decision on 13 March 2025, saying I broadly agreed with our Investigator but I was suggesting Northridge to something different to put things right.

Both parties accepted my provisional decision. So my final decision is unchanged from what I set out in my provisional decision – and it's repeated below.

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 upholding Mr M's complaint for the same reasons as our investigator. I'll explain more below.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Northridge were the supplier of the goods under this agreement and are therefore responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory*". To be considered satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, taking into account any description of the goods, the price and other relevant circumstances.

Northridge supplied Mr M with a car that was around three and a half years old and had travelled just under 30,000 miles. So it's fair to say that a reasonable person would expect the car might have already suffered some wear and tear and might need some repairs or maintenance.

I'm satisfied there was a fault with the car. The documentation Mr M has given us shows the lengths to which the manufacturer went to try to resolve the issues. So I then need to consider whether the car was of satisfactory quality at the date of supply.

Northridge told Mr M that because the fault occurred more than six months after the date of supply, he needed to prove that it had been present at supply. Although the exact date that Mr M picked up the car isn't clear, the numberplate was changed to his personal one on 5 July 2022 – so it seems likely that Mr M collected it on or before that date. He's told us the fault started occurring on 13 January 2023, and from the evidence I've seen, the car was being looked at by the manufacturer by 7 March 2023. So I'm satisfied that the fault started more than six months but less than eight months after the date of supply.

However, it doesn't necessarily follow that Mr M needs to provide proof that the car wasn't of satisfactory quality at the date of supply. The fault described by Mr M was connected to something that is critical to the safe and comfortable driving of the car – it prevented him from accessing key information and from using all electronically controlled features of the vehicle. It's fundamental to the use of the car and therefore I don't think a reasonable person would have expected it to have arisen within just over four years of the car's first registration. In addition, the car was a premium-branded vehicle, and priced correspondingly. So it would be reasonable to assume it would be more durable than this.

The evidence I've seen shows that the manufacturer has attempted extensive repairs, including stripping down the whole vehicle, so it wasn't a minor issue. The vehicle had travelled 44,000 miles by the time this took place, but I don't think that's enough to say that the fault was caused by Mr M's use of the car. I've carefully considered the nature of the fault and on the balance of probabilities, I'm satisfied the car wasn't of satisfactory quality at the point of supply.

Mr M told Northridge that he wanted to reject the car in July 2023. The CRA says that a supplier must be given one chance to repair or replace goods before a consumer can reject them. So I can't say Northridge should have allowed Mr M to reject the car at that point. Although Mr M had had the car looked at several times by the manufacturer, this hadn't been in consultation with Northridge.

The CRA also says that the supplier should carry out repairs within a reasonable time and without significant inconvenience to the consumer. Northridge were first informed of the problems in early July 2023. They didn't offer to repair the vehicle. And when our Investigator said in June 2024 that they should repair the vehicle, Northridge didn't accept this until early October. So Northridge didn't carry out repairs within a reasonable time.

As the car has now been written off, the opportunity to repair is no longer available to Northridge and I'm satisfied the fairest remedy available is for Mr M to be able to reject the vehicle.

Putting things right

When thinking about putting things right, I need to think about the position Mr M would have been in if things hadn't gone wrong. As I've set out above, I think Northridge supplied Mr M with a car that was unsatisfactory. So, given Northridge didn't repair the car within a reasonable time, he has the right to reject it. That means he's entitled to the refund of his deposit, and to pay only for his use of the car.

Mr M drove the car that was supplied to him for around 31 months. And, from the evidence I've seen, he was provided with a courtesy car for the relatively short periods that this vehicle was being repaired. Mr M's use of the car was impaired by the frequent recurrence of the fault – which meant that for short periods of time he was without critical information and without any control over any of the features of the car. But his use was significant, at around 46,000 miles over that period, and I need to take that into account. On balance I'm satisfied it would be fair for Northridge to refund 5% of Mr M's monthly payments from the date the fault first occurred through to the write off of the vehicle in February 2025. It would also be fair for them to pay Mr M simple interest at 8% per year each refund, calculated from the date of each payment to the date of settlement.

Northridge also need to refund Mr M's deposit of £13,779.30. They should also pay Mr M simple interest at 8% per year on this amount from the date the deposit was paid to the date of settlement.

Northridge should also write off the balance on the agreement. In saying this, I'm not commenting on the cause of the accident. Instead, I'm acknowledging that if Northridge had allowed Mr M to reject the car sooner they would have taken the car back and ended the agreement with nothing further to pay.

Finally, it's clear Mr M has experienced a significant amount of distress and inconvenience as a result of the unsatisfactory quality of the car. The failures in the digital display were clearly very worrying events. And Mr M's told us they happened frequently and repeatedly between January 2023 and January 2025. Mr M spent a lot of time trying to get the problems sorted, taking the car to the manufacturer on around four separate occasions, and

repeatedly contacting the dealership and Northridge as well. He wasn't in a position financially to be able to just stop driving the car. And he often had his wife and young children in the car which added extra stress. So it's fair Northridge compensate him for this distress and inconvenience. I'm satisfied £450 is a fair amount for them to pay.

My final decision

As I've explained, I'm upholding Mr M's complaint. N.I.I.B. Group Limited trading as Northridge Finance need to:

- End the agreement with nothing further to pay;
- Collect the vehicle at no cost to Mr M (if this hasn't already been done);
- Refund to Mr M 5% of his monthly payments from February 2023 to February 2025 (inclusive);
- Refund to Mr M his total deposit of £13,779.30 (if any part of this deposit was made up of funds paid through a dealer contribution, Northridge is entitled to retain that proportion of the deposit);
- Pay Mr M 8% simple interest per year on all refunds, calculated from the date of each payment to the date of settlement;
- Remove any adverse information relating to the agreement from Mr M's credit file; and
- Pay Mr M £450 to reflect the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 April 2025.

Clare King
Ombudsman