

The complaint

Mr S complains about a car supplied to him using a personal contract purchase (“PCP”) agreement taken out with N.I.I.B. Group Limited trading as Northridge Finance (“Northridge”).

What happened

Mr S referred a complaint to us along with his representative. As the complainant is Mr S, for ease, I have addressed my decision to him only throughout, when referring to what he and his representative have told us.

In August 2022, Mr S acquired a used car using a PCP agreement with Northridge. The car was around five years old, the cash price of the car recorded on the sales invoice was £38,475, the agreement was for 49 months, made up of 48 regular, monthly repayments of £542.28, followed by a final payment of £21,948, which included a £10 option to purchase fee. The mileage recorded on the sales invoice for the car was 30,200 miles.

The invoice for the car also said, among other things:

“Customer aware, tinted windows illegal”

No other alteration or modification was listed in relation to the car.

In October 2022, Mr S had the car inspected by a manufacturer dealership and they told him that the car had a modification made to it; specifically, an engine remap.

Mr S said he told the supplying dealership about the issue, but they refused to engage in a conversation about it. Mr S said he wasn’t informed about the modification during the sales process, and it wasn’t mentioned in the advert. Mr S believed the modification has had significant adverse effects on the car’s usability and value. Mr S also said that he wouldn’t have proceeded with taking out the agreement with Northridge had he known about the modification before he acquired the car.

Mr S said he later was aware he could complain to the finance lender, and so, Mr S complained to Northridge in February 2024. In April 2024, Northridge responded explaining that they didn’t uphold Mr S’s complaint. Among other things, Northridge as part of their investigation contacted the supplying dealership. The dealership said they told Mr S about the modification on two to three occasions. The supplying dealership also explained to Northridge that around two months after acquiring the car, they repaired an oil leak for Mr S and that Mr S had the car for around 16 months before mentioning the modification.

Northridge also said that in October 2022, around two months after the point of supply, a health check was completed on the car which confirmed the car’s software had been modified, but that Mr S didn’t raise this with the dealership until around 16 months later.

Unhappy with Northridge’s response, the complaint was referred to our service.

Mr S provided our service with screenshots taken from a social media page of a third-party company, which supplied car tuning services. A post was made in May 2019 in relation to the car which Mr S acquired, and it explained that the car was taken to them for a service and that parts were ordered to modify it. Another post made in June 2019 showed that a test was completed on the car and that the car's engine performance output had been modified.

Mr S also provided our service with further screenshots taken from a social media page of a third-party company, which was a used car dealership. An advert was posted by the used car dealership in April 2021 in relation to the car Mr S acquired. On the car's advert, among features of the car, it said:

"Stage 1 plus remapping by [name of third-party company that supplies car tuning services]"

Mr S also supplied our service with a copy of the car's advert which was posted to a third-party website by the supplying dealership. The advert posted didn't mention any engine modifications made to the car.

Our investigator upheld Mr S's complaint. In summary, the investigator thought Mr S should have been made aware of the modification at the point of supply, and that had he known, the investigator didn't think Mr S would have acquired the car. The investigator went on to set out what they thought Northridge needed to do to put things right.

Northridge responded and said among other things that the supplying dealership were only made aware that Mr S wanted to return the car over a year after it was supplied, and so thought it wasn't fair for him to now be able to return the car.

As Northridge disagreed with the findings the investigator made, the complaint was passed to me to decide.

I issued a provisional decision on 8 April 2025 where I explained why I didn't intend to uphold Mr S's complaint. In that decision I said:

"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 S complains about a car supplied under a PCP agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr S's complaint about Northridge.

When considering what's fair and reasonable, I take into account relevant law, regulations and guidance. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. This explains, in summary, that goods supplied must match the description given.

Section 56 of the Consumer Credit Act 1974 ("S56") is also relevant to this complaint. S56 explains that, under certain circumstances, a finance provider is liable for what was said by a credit broker or supplier before a credit agreement is entered into. I'm satisfied S56 applies here. So, I can consider what Mr S says he was told about the car and finance by the dealer before he entered into the contract.

What I need to consider here is whether the car didn't meet a description or was misrepresented to Mr S. A misrepresentation would have taken place if Mr S was told a

'false statement of fact' about the car, and this induced him into entering into the contract to acquire it when he otherwise would not have.

It's worth stating up front, that a misrepresentation would not have occurred if Mr S wasn't explicitly told about the modifications. A false statement of fact would need to be made – so I'll consider if Mr S was told that the car did not have modifications or was 'standard'. The same applies when considering if the car matched a description – the car would need to be described as not being modified or incorrect details given about the modifications, rather than a description not being given, for this to be the case.

In reaching my findings, I have considered carefully the advert and sales invoice which has been supplied, as well as what both parties have said.

Mr S has provided a copy of a vehicle health check completed to the car a couple of months after the car was acquired. It explains that the car's engine had been modified.

Mr S strongly believes the modification to the engine was misrepresented.

Having seen a copy of the text of the advert that Mr S said was made available on a third-party website, no reference is made to the engine or its output. No reference is also made to the engine control unit ("ECU") software. I have also seen the notes recorded on the sales invoice and no reference is also made on that sheet in relation to the engine, its output, or the ECU software.

Considering things here, I don't think a false statement of fact was made regarding the modifications to the car. I'm satisfied the advert doesn't say the car did or didn't have any modifications to its engine. And Mr S hasn't said that he was explicitly told during the sales process that the car didn't have any modifications to it and told our service "At no point during the sales process or in the advertisement was I informed of any engine modifications."

As I'm satisfied Mr S was not told a false statement of fact about the modifications to the car before entering into the agreement, it follows that I don't think the car was misrepresented to Mr S. And the same logic above can be applied as to why I'm satisfied the car supplied to Mr S was as described. So, I don't think Northridge did anything wrong here.

It's also worth noting that, even if I was to conclude that a false statement of fact was made, I would still need to be satisfied that the false statement induced Mr S to enter into the contract to acquire the car when he otherwise would not have.

Mr S said he was first made aware of the engine modification around a couple of months after the car was acquired. I think that if Mr S was never prepared to accept a car with engine modifications, it would be reasonable for him to have checked before he acquired the car, and to raise the issues around the modifications to the car much sooner than he says he did. So, even if I was to conclude a false statement of fact was made, I don't think I would have reached the conclusion that it would have induced Mr S into taking out the agreement with Northridge."

Responses to the provisional decision

Northridge didn't respond before the deadline set.

Mr S responded and said he didn't agree with the provisional decision. He provided a detailed response to my provisional decision. Among other things, he said he was not told before or after the sale that the car had modifications or remapping.

Mr S also said he repeatedly asked for written confirmation from the supplying dealership that there were no modifications or engine remapping works carried out but wasn't supplied with any such confirmation. Mr S said this later prompted him to have an inspection carried out.

Mr S also believed the advertised "*very thorough*" health check and inspection on the car, created a false impression of a standard, road-legal car.

Mr S also said he promptly contacted the supplying dealership in October 2022 once he was aware of the engine remapping and contacted Northridge in February 2024, after learning his rights.

Mr S also provided a statement from a third-party who said accompanied him to the dealership in August 2022. Among other things, the third-party said a conversation took place between Mr S where Mr S asked about modifications made to the car, and he was told there weren't any.

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 see no reason to depart from what I said in my provisional decision.

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, as I explained previously, 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.

Among other things, Mr S said he was not told before or after the sale that the car had modifications or remapping. To be clear, S56 is in relation to "*antecedent negotiations*", so I must consider what Mr S believes he was told before the agreement was taken out, and not events that occurred afterwards.

Mr S believed the health check and inspection on the car, which was advertised as "*very thorough*" created a false impression of a standard, road-legal car. However, I'm mindful that the invoice for the car also said, "*Customer aware, tinted windows illegal*". So, even if Mr S says the advert created an impression of the car being sold as standard, I'm satisfied that he was at least aware the car may have not been road-legal and standard prior to it being acquired.

Mr S said he contacted the supplying dealership in October 2022 once he was aware of the engine remapping and contacted Northridge in February 2024, after learning his rights. However, I'm mindful that Mr S has provided a detailed submission to this complaint – and has referenced legislation, as well as what he describes as legal support. So, I'm not persuaded that Mr S was only aware of his legal rights to complain to Northridge in February 2024, considering the knowledge he has shared so far.

I have noted the statement Mr S has provided from a third-party, that says they accompanied him to the supplying dealership. However, I must be mindful of all the information and evidence I have in relation to this complaint.

It's important to note that before I issued my provisional decision, Mr S didn't say he had a conversation with the supplying dealership and specifically asked whether the car had any modifications (and was explicitly told that the car didn't have any). Considering the nature of this complaint, I think this would be an important piece of information to disclose, had a conversation like the above had taken place.

And as I explained in my provisional decision, even if I was to conclude that a false statement of fact was made, I would still need to be satisfied that the false statement induced Mr S to enter into the contract to acquire the car when he otherwise would not have. Mr S said he was first made aware of the engine modification around a couple of months after the car was acquired. I think that if Mr S was never prepared to accept a car with engine modifications, it would be reasonable for him to have checked and to have raised the issues around the modifications to the car much sooner than he says he did.

So, in summary, I don't think Northridge need to do anything to put things right.

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 S to accept or reject my decision before 26 May 2025.

Ronesh Amin
Ombudsman