

The complaint

Mrs M complains that a car supplied to her under a hire purchase agreement with N.I.I.B. Group Limited trading as Northridge Finance (NF) is of unsatisfactory quality.

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which said:

In April 2022 Mrs M entered into a hire purchase agreement with NF to acquire a used car. The car was around three and a half years old, with a mileage of around 23,647. The cash price of the car was listed as £17,113.75 on the agreement documents with an advance payment of £1,387.51 made by way of part-exchange and £99.00 cash payment. The total amount payable on the agreement was £18,887.49, payable over 48 months. This was made up of 47 monthly repayments of £232.67, with an optional final repayment of £7,952.00 being due.

Mrs M has explained that around a year after purchasing the vehicle, there was a recall notice with work carried out in line with the recall. Mrs M went on to explain that in 2024 the engine management light would come on intermittently and the car would cut out and not start. She had trouble getting the issue diagnosed and explained she wasn't able to use it from around 7 May 2024.

As she was struggling to find out what was wrong with the vehicle, Mrs M complained to NF about it. Mrs M explained she wasn't getting much in the way of a response from NF and brought her complaint to this service.

Whilst this was ongoing, Mrs M said she'd been told there may be issues with how the recall work was carried out in 2023 causing issues now and sometime after Mrs M managed to get the issues with her vehicle diagnosed by a third-party repairer as being an issue with the engine control unit (ECU). She'd also arranged for an independent inspection report to provide evidence to NF about the vehicle. The independent inspection report considered the faults with the vehicle wouldn't have been present at the point of sale due to the miles travelled since Mrs M has owned the vehicle.

The case was looked at by one of our investigators, and it was their opinion that the car was of unsatisfactory quality when it was supplied due to the part failing prematurely, meaning the car was not sufficiently durable. The investigator thought NF should arrange for the repairs or have Mrs M arrange for them to be carried out and NF cover the cost for these.

The investigator also recommended for NF to refund some of Mrs M's monthly payments made when she was unable to use the vehicle.

Mrs M agreed with the outcome. NF disagreed. NF said that the independent inspection report doesn't comment on durability, and as such the engineer was not worried about the durability aspect, and that the findings made that the issues were not present or developing at the point of sale should mean the car was of satisfactory quality when it was supplied. As

such, the complaint has been passed to me to make a final decision.

I sent Mrs M and NF my provisional decision on 10 June 2025. I explained why I thought the complaint should be upheld. The key parts of my provisional findings are copied below.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs M acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs M's complaint about NF. NF is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains that the durability of goods is an indicator of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

In this case, Mrs M acquired a car that was around three and a half years old and had travelled around 23,647 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered more wear and tear when compared to a brand-new car or one that is less travelled. There's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

I've reviewed the available evidence about the issues Mrs M experienced with the car. Based on what I've seen, I'm satisfied that there was a fault with the car. I say this because neither NF nor Mrs M dispute the car has a fault with the ECU. I've also seen documentation from a repairer diagnosing this fault and likely costs to fix the issue. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

I have seen an invoice showing the recall repair work carried out in 2023. This appears to have been as a result of a recall from the vehicle manufacturer, with repairs carried out as required. I've noted Mrs M's comments around the manufacturer using a wet belt from another vehicle to replace hers as part of this, and that this shouldn't have been done, but I have no evidence to show that this is the case or that the fault with the ECU was linked to this in any way.

Coming on to the ECU fault, I can see that Mrs M reports she was unable to use her car from 7 May 2024, and spent time trying to have the faults diagnosed and fixed but has explained some places were unable to do this. In the meantime, she'd raised a complaint with NF and found the support lacking. I acknowledge why Mrs M will have found this frustrating, being unable to find out what is wrong with her car whilst being unable to drive it.

When examining the evidence in relation to the fault, I can see documentation from a third-

party repairer dated 24 October 2024. The mileage at this point is listed as 42,087. The repairer has noted that there is no signal from the ECU, wiring from ECU to injectors is good, no signals from ECU and that a new ECU and programming is required to rectify the issue.

Prior to this, Mrs M had an independent inspection report carried out but had not received a copy of the report as yet. I can see the report was dated as 7 October 2024, with the engineer explaining that the faults could be due to fuel rail or high-pressure fuel pump, but this needs further investigation under workshop conditions. They go on to say that the vehicle has travelled around 18,440 miles since supply, and as such, they do not consider the faults to have been present or developing at the point of sale.

I acknowledge what the engineer has said, however, I'm not persuaded this means the car was of satisfactory quality. I say this because independent reports can be helpful in determining if a fault was present at the point of sale or not, but in this case the engineer hasn't diagnosed the fault, and says further investigation is needed. It is their opinion that due to the miles travelled the fault wouldn't be present or developing at the point of sale, but due to the nature of where the report is conducted, they have been unable to diagnose the actual fault.

The repairer Mrs M has taken the garage to, has the benefit of workshop conditions to be able to diagnose the fault. It is the fault diagnosed with the ECU that persuades me the car wasn't suitably durable when it was supplied, meaning that the car was of unsatisfactory quality when supplied. I say this because a reasonable person could expect this particular part to last significantly longer than it did. The ECU is a crucial part of operating the car's engine, and under normal use, research suggests this could be expected to last longer than it did in Mrs M's case. There are a number of factors that could affect the lifetime of an ECU, but a reasonable person may not expect this particular part under these circumstances to fail through regular wear and tear when it did.

I acknowledge NF's strength of feeling and point around the length of time since the sale and the mileage travelled, however durability is relative to the part, and there is a reasonable expectation that parts should last without significant issue or problem for a reasonable period of time. In this case, a reasonable time depends on variable such as when an ECU might reasonably be expected to need changing, the age of the car, mileage and price paid among other factors. Mrs M paid a not insignificant amount of money for the car and could reasonably expect to be able to use it without a fault to the ECU rendering the vehicle inoperative for longer than she did. I can't see any evidence to show that she has contributed to the issue, and I'm persuaded the ECU has failed earlier than could reasonably be expected, meaning the vehicle was of unsatisfactory quality when it was supplied. Had the vehicle been significantly older, had travelled significantly more miles or been priced less, these factors may affect the durability expectations of the parts supplied. This does not mean that any car with an ECU fault at any point can or should be covered. I can only comment on this particular part, car and circumstance.

I invited both parties to make any further comments. Mrs M responded to accept the decision and provided some evidence of the costs incurred for the repairs needed including the cost of getting the car to the repairer as part of these. NF did not respond to the provisional decision. Now both parties have had an opportunity to comment, I can go ahead with my final decision.

What I've decided and why

As neither party responded to my provisional findings with any further information to be considered that changes my decision, I see no reason to depart from them above. Mrs M responded with some evidence of the costs incurred, relating to a repair invoice and the

towing cost as part of facilitating the eventual repair. As such I have updated the section below to reflect that evidence has been provided.

Putting things right

As I've concluded that the car was not of satisfactory quality when it was supplied, I think it's reasonable that NF should put things right.

In this case, I do agree that a repair was a fair outcome. I say this because the fault has been diagnosed with a repair available, and it is reasonable after owing the car for this period of time, that an attempt to repair the vehicle is allowed.

I note that Mrs M explained she had to take steps to get the vehicle repaired as it was becoming very difficult for her to manage without it. I think this was reasonable under the circumstances. As such, NF should reimburse Mrs M the repair costs including the towing cost Mrs M has provided as part of getting the vehicle to the repairer. Mrs M has provided evidence showing these repair costs. As Mrs M was without the use of her vehicle but was still paying for it, NF should reimburse payments from May 2024 until the date of repairs carried out.

Mrs M paid for an independent inspection report as part of trying to evidence the fault with the vehicle, this did not diagnose the fault, but as it was a consequence of Mrs M's car not being of satisfactory quality when it was supplied, the evidenced cost of this report should be reimbursed by NF.

It would also be fair for NF to pay Mrs M £250 for distress and inconvenience caused throughout the time she encountered the issues. This will have taken time for Mrs M to sort out, she has explained how she struggled to stay mobile needing to borrow a car to get to work and how the situation affected her. Mrs M explained she has been concerned about the financial situation the issues caused and the stress this put onto her.

NF should also arrange to remove any adverse information on Mrs M's credit file about the agreement if applicable.

My final decision

For the reasons explained, I uphold Mrs M's complaint and instruct N.I.I.B. Group Limited trading as Northridge Finance to do the following:

- Reimburse Mrs M the evidenced repair costs as outlined above.
- Refund some monthly payments as outlined above.
- Reimburse evidenced costs for reports as evidenced above.
- Pay 8% simple yearly interest* on the above, to be calculated from when Mrs M made the payment to the date of the settlement.
- Pay Mrs M £250 for the distress and inconvenience caused.
- Remove any adverse information recorded on Mrs M's credit file in relation to the agreement if applicable.

*HM Revenue & Customs requires N.I.I.B. Group Limited trading as Northridge Finance to deduct tax from the interest amount. N.I.I.B. Group Limited trading as Northridge Finance

should give Mrs M a certificate showing how much tax it has deducted If she asks for one.
Mrs M can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 23 July 2025.

Jack Evans
Ombudsman