

The complaint

Miss S complains that a car acquired with finance from N.I.I.B. Group Limited trading as Northridge Finance (Northridge) wasn't of satisfactory quality.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here.

In May 2024 Miss S was supplied with a car and entered into a personal contract purchase (PCP) agreement. At the point of supply the car was almost four years old and had covered around 13,500 miles.

Miss S says she experienced some problems soon after acquiring the car. She said she was concerned about the performance of the car and the car began to judder when driven on the motorway. Miss S says the engine management light also illuminated.

Repairs were undertaken by an independent garage, but Miss S remained unhappy and so complained to Northridge. It issued its final response in August 2024, in short it didn't uphold the complaint. It acknowledged Miss S had issues with the car but as repairs had been undertaken and the faults it described as minor, it didn't think the car was of unsatisfactory quality. Further, it didn't support rejection.

Our Investigator looked into things, and she didn't agree. She said the car was of unsatisfactory quality, but she was satisfied repairs had been undertaken and were successful. So, in her view Miss S no longer had the right to reject. However, our Investigator acknowledged there had been some distress and inconvenience caused to Miss S and because of this she recommended Northridge compensate her £150.

Miss S disagreed, as an agreement couldn't be reached the complaint has been 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've reached the same overall conclusions as the Investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it affected what I think is the right outcome.

The PCP agreement entered by Miss S is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Northridge is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Miss S entered. Because Northridge supplied the car under a PCP agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a

standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Miss S's case the car was used and covered approximately 13,500 miles and was almost four years old when she acquired it. So, I'd have different expectations of it compared to a brand-new car.

The car had travelled some distance, and it is fair to expect there to be some wear and tear to it because of this use. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. Northridge would not be responsible for anything that was due to normal wear and tear whilst in Miss S's possession.

Having undertaken a thorough review of all the relevant circumstances – including the price, age, and mileage of the vehicle at the time of supply, as well as the timing and nature of the fault's emergence – I have reached the conclusion that the vehicle was not of satisfactory quality at the point at which it was supplied. I have an invoice which shows the car was fitted with radiator shutters and control valves as per the fault codes illuminated on the dashboard. A new tyre was also fitted; all repairs were covered under warranty at no additional cost to Miss S.

This determination is based on the fact that the fault in question was either already present or in the process of developing at the point of sale. This is further supported by the timing of the repair and the limited mileage driven between the date of purchase and the date the issue was addressed. At the time of repair, the vehicle's recorded mileage was 13,866 as of 7 June 2024, representing an increase of only 471 miles since the date of purchase.

I am therefore of the view that the vehicle did not meet the standard of satisfactory quality when originally supplied. However, it is important to note that before Miss S raised her concerns with Northridge, the vehicle had already undergone repairs by a third-party garage. Consequently, Miss S effectively forfeited her short term right to reject the vehicle.

For clarity, the CRA provides a short term right to reject the car within the first 30 days if the car was of unsatisfactory quality. Miss S did express a wish to reject the car within the first 30 days of the agreement. However, she had previously agreed to the vehicle being repaired on 7 June 2024, so this was the single opportunity to repair. Repairs were also accepted and so following the single opportunity to repair, the right to reject may then only be exercised in certain circumstances such as the repair failing to fix the fault. Based on the evidence presented to me, I haven't seen sufficient evidence to persuade me that the faults persist, so I find the repair fixed the fault.

Nevertheless, I believe that rather than solely focusing on Miss S's inability to reject the vehicle it would be more appropriate to recognise the inconvenience and distress that this matter has caused. Northridge, as the responsible party, ought to have considered the distress and inconvenience experienced by Miss S as a result of this issue.

Miss S has explained the impact this has had on her, the stress and worry the faults caused and the inconvenience, for example breaking down on the motorway with her family, taking the car in for repair and the correspondence in having to sort this matter out. And so, I find it

fair and reasonable that Northridge should pay Miss S £150 for the distress and inconvenience caused from being supplied with a car that wasn't of satisfactory quality.

My final decision

My final decision is that I uphold this complaint and direct N.I.I.B. Group Limited trading as Northridge Finance to pay Miss S £150 compensation if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 29 August 2025.

Rajvinder Pnaiser
Ombudsman