

The complaint

Mr B complains that N.I.I.B. Group Limited, trading as Northridge Finance, has unfairly terminated the hire purchase agreement under which a car had been supplied to him and sold the car for less than it was worth.

What happened

A used a car was supplied to Mr B under a hire purchase agreement with Northridge Finance that he electronically signed in August 2022. The price of the car was £43,995, Mr B part-exchanged a car which was given a value of £4,500 and he agreed to make 59 monthly payments of £786.66 and a payment of £796.66 to Northridge Finance.

Mr B cancelled the direct debit for his monthly payments in January 2023 and requested a payment holiday in October 2023. Northridge Finance said that that wasn't a service that it could offer but alternative options were given but were declined by Mr B. Mr B made no payments to Northridge Finance after September 2023 so a notice of default was issued to him in March 2024 and the hire purchase agreement was terminated in May 2024. The car was then sold by Northridge Finance for £25,800.

Mr B complained to Northridge Finance about the service that he'd received and the sale value of the car but it rejected his complaint. Mr B wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that Northridge Finance acted fairly and in line with the terms of the contract when it decided to terminate the agreement.

Mr B didn't accept the investigator's recommendation and said that he wanted his complaint to be reviewed so I've been asked to issue a decision on this complaint. Mr B says that: Northridge Finance took no consideration regarding his health, he had numerous conversations with it and he'd like to request copies of the call recordings; and it disposed of the car in a totally unethical way, didn't keep his interest at heart, and has left him with an indebtedness which could have been avoided.

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.

Mr B had agreed to make 59 monthly payments of £786.66 and a payment of £796.66 to Northridge Finance. The hire purchase agreement says that payments will be by direct debit unless Northridge Finance agrees otherwise but Mr B cancelled his direct debit in January 2023. He continued to make payments to Northridge Finance until October 2023 when he requested a payment holiday due to an incident that he'd experienced. Northridge Finance said that that wasn't a service that it could offer but alternative options were given, including forbearance, but Mr B declined forbearance due to credit file implications.

Mr B says that he had numerous conversations with Northridge Finance about his health issues but it says that it had no requests for breathing space and wasn't notified of any health issues, other than a broken arm. Mr B says that he'd like to request copies of the call recordings but Northridge Finance says that recordings of Mr B's calls to it aren't available. It has provided its detailed notes for Mr B's account and they show that no health issues were raised when Mr B requested a payment holiday in October 2023 or in his other calls, but he did tell Northridge Finance in November 2023 that he was off work with an injury. I don't consider that Northridge Finance would reasonably be expected to have taken any other action after that call and I'm not persuaded that there's enough evidence to show that it was aware of any health issues for Mr B that would have required it to act differently to how it did.

Northridge Finance says that Mr B contacted it in January 2024 to advise it that he was selling the car and that he told it in February 2024 that the car had been sold and full settlement would be made. It says that there was no further contact from Mr B and, as there had been no payment from him since September 2023 and the car wasn't insured, it issued a notice of default to Mr B in March 2024. It says that Mr B didn't respond to the notice of default so the agreement was terminated in May 2024.

The car was collected from Mr B by a third party on behalf of Northridge Finance later that month, it was inspected and valued at between £26,300 and £28,950 and was then sold at auction for £25,800. The hire purchase agreement says that if Northridge Finance ends the agreement early and has repossessed the car, Mr B must pay it ... the total outstanding amount payable under the agreement ... less: *"... an amount equal to the net sale proceeds after deductions of the costs of repossession, storage and sale ..."*.

I consider that Northridge Finance acted in accordance with the terms of the agreement when it repossessed the car, sold it at auction and applied the net sale proceeds to Mr B's account. Mr B says that it disposed of the car in a totally unethical way and that he was advised that the car could be sold for between £33,500 and £41,000. Mr B says that he advertised the car for sale for £36,995 but dropped the price to £34,995 and he had an offer of £34,500 for the car. Although Mr B had received an offer of £34,500 for the car, that sale didn't proceed.

It's clear that Mr B feels strongly that Northridge Finance hasn't treated him fairly so I appreciate that my decision will be disappointing for him. Having considered all of the available evidence, I'm not persuaded that there's enough evidence to show that Northridge Finance has acted incorrectly in its dealings with Mr B relating to the termination of the hire purchase agreement and the sale of the car. I find that it wouldn't be fair or reasonable in these circumstances for me to require Northridge Finance to reduce the outstanding amount of Mr B's account, to pay him any compensation or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 July 2025.

Jarrold Hastings
Ombudsman