

## The complaint

Mr S complains that the car he acquired through a hire purchase agreement with N.I.I.B. Group Limited t/a Northridge Finance (“Northridge”) wasn’t of satisfactory quality. He wants to reject the car and have the credit agreement cancelled.

## What happened

Mr S entered a hire purchase agreement in July 2024 to acquire a used car. The cash price of the car was £12,990, and the agreement was set up over a 49-month term with monthly rentals of £229.94. If the agreement ran to term, the total amount repayable would be £16,672.12. At the time of the acquisition, the car was nearly three years old and had been driven just over 35,000 miles. Mr S told us:

- Within a few weeks of acquisition, he experienced serious electrical faults across multiple systems including the forward collision system; parking sensors; air conditioning; infotainment unit; cruise control; lane assist; rear wipers; and the electronic handbrake;
- all the problems were intermittent, and he reported them to a local garage in August 2024;
- the issues persisted so he arranged for an independent inspection of the car by an appropriately qualified engineer. Widespread electrical faults were confirmed, and it was concluded they were likely present from the point of sale;
- he complained to Northridge, and it accepted his right to reject the car, and it offered £300 in compensation, but said it would need to make a charge for ‘fair usage’. Despite agreeing to the rejection of the car, the process has been significantly delayed for no apparent reason;
- he’s continued making payments on a car that is not safe to drive and is simply not fit for purpose;
- the faults have affected his work and personal life, and the situation has caused significant distress and inconvenience;
- he’s still got the car, because despite being told to return it ‘asap’, no-one has told him where and how to return the car.

Northridge told this Service that it accepted Mr S’ rejection of the car in June 2025, and it had been asked by the supplying dealership to recover the car and “dispose of it at auction”. Northridge said it would refund Mr S’ deposit of £800 together with the payments made towards the agreement, but it said it would make a deduction in respect of Mr S’ usage of the car at a rate of 25p per mile driven.

Unhappy with Northridge’s proposed resolution, Mr S brought his complaint to this Service, and he provided a detailed timeline of all the issues and events he’d experienced.

Our Investigator looked at this complaint and said she thought it should be upheld. She said she was persuaded there was clearly a fault with the car – the independent engineer’s report confirmed this, and she explained the relevance of the Consumer Rights Act 2015 in this particular case and said she didn’t think the car was of satisfactory quality when supplied.

Our Investigator set out what Northridge needed to do to put things right, and she took into account the impaired usage Mr S had when driving the car, together with the additional costs that he'd incurred directly as a result of what had happened. She explained why Northridge's proposal to charge 25p for each mile driven was neither fair nor appropriate, and she recommended Northridge refund Mr S 20% of each monthly rental he'd paid. And she asked Northridge to pay £500 compensation to Mr S in respect of the distress and anxiety he'd experienced.

Mr S reluctantly accepted this opinion. He said the process for rejecting the car has been elongated by Northridge and left him with increased costs. And he had no option but to accept these recommendations to bring his complaint to a swift conclusion.

Northridge told this Service in August that it needed to speak with the supplying dealership before it would be able to confirm its acceptance of our Investigator's recommendations. Then on 12 September, it confirmed it would provide a response by 19 September 2025.

To date, this Service has received no confirmation from Northridge that it accepts anything our Investigator recommended - Northridge seems to have simply disengaged on this particular case.

Because of this, the complaint comes 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.

As the hire purchase agreement entered into by Mr S is a regulated consumer credit agreement this Service is able to consider complaints relating to it. Northridge is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. This says under a contract to supply goods, the supplier – Northridge in this case – has a responsibility to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. In this case, I would consider relevant factors to include, amongst others, the car's age, price, description and mileage.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied. But, if the fault is identified after the first six months, then it's for Mr S to *prove* the fault was present when he first acquired it.

I've noted that Mr S arranged for an independent inspection of the car. Although on the basis of how soon the faults arose after the start of the finance agreement, I think it's arguable that Northridge should've taken responsibility for organising an independent inspection.

The independent inspection noted the reported conditions as follows:

- *"Parking sensors not working."*

- *Forward collision system non-functional.*
- *Automatic cruise control not working.*
- *Media display turning on and off every 3 minutes.*
- *Audio system turning on and off.*
- *Air conditioning system is faulty.*
- *Vehicle switches from mph to kph while driving.*
- *Rear windscreen wiper not functioning.*
- *Lane assist is inoperative.*
- *Phone USB charging points intermittently turning off.*
- *Parking brake occasionally not releasing.*
- *Traction control not working”.*

And the engineer’s inspection reported the following faults:

- *“The parking sensors were found to be working through the infotainment screen; however, it was found to be inoperative as the infotainment screen would reboot every 3 minutes. The front forward collision assist was also operated through the infotainment screen and we can confirm that this operated through the infotainment screen. The cruise control was also found to be inoperative”.*
- *“When attempting to change the odometer reading from kmph to mph this would change”.*
- *“We were unable to operate the air conditioning as this was operated through the infotainment screen; however, when attempting to use this it would reboot and turn off”.*
- *“The rear wipers were operating as intended but the washer jet was not operating. The lane assist was found to be inoperative during our road test; however, we were unable to confirm if this was turned on or off due to the infotainment issue”.*
- *“The phone charging ports were found to be inoperative. The parking brake would not release when setting off in the vehicle and we were unable to check the settings with regards to the auto-hold function”.*

The engineer concluded that the faults appear to ongoing and would’ve been developing at the point of sale.

So, because of this, I’m satisfied that the car was not of satisfactory quality when Northridge supplied it to Mr S.

Both parties agreed that the fair way to settle this complaint was to allow Mr S to reject the car. But as things don’t seem to have progressed as they should have, and there’s some disagreement about some of the other aspects of the redress, this is the focus of my decision.

I’m going to require Northridge to accept Mr S’ rejection of the car and end the credit agreement. I’m going to direct Northridge to refund Mr S a proportion of his monthly rentals. This is because although he’s had some usage of the car, it has been limited and impaired.

I’m going to require it to reimburse Mr S’ reasonable costs – the costs he incurred in trying to resolve the issues with the car together with some subsequent repairs – and Northridge will pay Mr S statutory interest at a rate that a court would award on judgement debts. This is designed to reflect the cost to a consumer of their being deprived of their own money; they may have had to go without things because they didn’t have that money.

Finally, I’ll be awarding an amount of compensation in recognition of the distress, inconvenience, worry and anxiety that Northridge caused Mr S.

## **Putting things right**

Unless it's already done so, I'm directing N.I.I.B. Group Limited t/a Northridge Finance to settle this complaint by:

- ending the agreement with nothing further to pay;
- removing all adverse information from Mr S' credit file in relation to this credit agreement;
- collecting the car at no further cost or inconvenience to Mr S;
- refunding Mr S's deposit which I understand is £800;
- refunding Mr S 20% of all his monthly rentals from inception of the finance agreement to June 2025 when Northridge accepted the rejection of the car. Any monthly payments made after June 2025 should be refunded in full. This recognises Mr S' limited and impaired usage of the car;
- refunding Mr S for the MOT (£30); the diagnostics (£96); and the repairs for the stabiliser link and rod (£103.31);
- refunding Mr S the cost of having the car serviced, if indeed he did, upon production of a receipt confirming payment;
- paying 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement\*;
- paying a further amount of £500 for the distress and inconvenience that's been caused due to the supply of goods that were inherently faulty.

\*HM Revenue and Customs may require tax to be deducted from this interest. A certificate showing how much tax has been taken off must be provided if requested.

## **My final decision**

My final decision is that I uphold this complaint. If it has not already done so, I direct N.I.I.B. Group Limited t/a Northridge Finance to pay redress as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 January 2026.

Andrew Macnamara  
**Ombudsman**