

The complaint

Mr W complains about a car financed under a hire purchase agreement provided by N.I.I.B. Group Limited trading as Northridge Finance ('Northridge').

Mr W's complaint has been handled by a representative, but for ease, I've written as if we've dealt directly with him throughout.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

In November 2022 Mr W acquired a used car under a hire purchase agreement. He says in April 2024 he went into a dealership and inquired about part exchanging his vehicle. Due to issues with the previous owner his request was rejected. Later he tried to sell his car via an online platform but was declined because Mr W says upon carrying out vehicle checks a warning appeared showing the car had been sold via a salvage auction.

Mr W complained and said he wasn't told about the salvage history at the point of sale. He said this was having a negative impact on the value of the vehicle which he was trying to part exchange and so he wished to reject the car.

Northridge didn't uphold the complaint. In short it said there was no record of the vehicle being salvaged on its HPI check. It carried out a check prior to sale and at the time of investigating Mr W's complaint but maintained there was no HPI marker to state the vehicle was previously salvaged or in a serious accident.

Our Investigator issued an opinion and didn't uphold the complaint. In summary he said he hadn't seen any evidence the car had any markers recorded against it indicating it had been written off or salvaged. He said the evidence provided only showed it was sold by a salvage company not that the car wasn't HPI clear.

Mr W didn't agree, he reiterated that the salvage history hadn't been disclosed prior to inception and that several dealerships have declined to purchase the vehicle due to its salvage history. Mr W asked for an Ombudsman's decision – and the complaint's come to me.

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 and acknowledging it'll be disappointing for Mr W, I'm not upholding his complaint for broadly the same reasons as our Investigator – I'll explain more below.

Mr W complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr W's complaint about Northridge.

Firstly, I think it's important to point out that it isn't in dispute here that some information was recorded about the car in relation to salvage but its key to note specifically what this information was.

Having reviewed the evidence, I agree that there is evidence that Mr W's car was sold at a salvage auction prior to him acquiring it. But this is quite different to being recorded as 'salvaged'. This would typically mean a car had been heavily damaged, stolen or otherwise written off by an insurer.

The information Mr W provided about the salvage history states: *'damage to this vehicle is mechanical and minor dents/scratches'*.

So, I'm satisfied Mr W's car was recorded as being sold at a salvage auction but was not recorded as being salvaged.

Section 56 of the Consumer Credit Act 1974 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 W says he was told about the car and finance by the supplier 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 W. A misrepresentation would have taken place if Mr W 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.

The crux of the issue here is that Mr W feels the information he is now privy to, should have been made clear to him by Northridge or the supplying dealership before he acquired it. He says that had he known the information he is now aware of about the car's history, he wouldn't have chosen to acquire the car. There is no evidence to suggest that the dealer made any statements to Mr W about the car never having been stolen, damaged or written off.

I have carefully considered what Mr W has told our service here, alongside what Northridge has said. I've not seen enough to persuade me that Mr W was told the car hadn't been sold at a salvage auction. Nor have I seen he was told no details were recorded on any registers in relation to this. This means I don't think it's likely he was told a 'false statement' of fact, which means I do not think the car was misrepresented to him.

I accept Mr W was likely told the car was HPI clear and I haven't seen this wasn't the case so again I haven't seen this means a misrepresentation occurred nor that the car was not as described. I'm also not persuaded Mr W has shown he is at a loss either way or what any potential loss is. I appreciate he has shown a third party confirmed it wouldn't buy the car, but this doesn't mean others wouldn't. And the company in question directed him to another business that would be able to help.

I've also considered whether the fact that Mr W wasn't told that the car was sold at a salvage auction would be a misrepresentation by omission – that is if the dealer failing to disclose the information amounted to a misrepresentation. I've thought carefully about this. And I will say had the car been salvaged or if there was evidence of significant prior damage, I may think differently. But having considered the specific nature of the circumstances here, I still do not think the car was misrepresented.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 February 2026.

Rajvinder Pnaiser
Ombudsman