

## The complaint

Mr J complains that the car he acquired through N.I.I.B. Group Limited, trading as Northridge Finance (“Northridge”) was misrepresented to him, and that it was not fit for purpose. He wants to reject the car and have the credit agreement cancelled.

## What happened

Mr J entered into a hire purchase agreement in March 2025 to acquire a used car. The cash price of the car was £17,194, and with an advance payment of £200, the credit provided to Mr J was £16,994. The credit agreement was set up over a term of 49 months, and Mr J’s monthly payments were set at £291.99. If the agreement ran to term, then the total repayable under it would be £22,511.52. At the time of acquisition, the car was more than four years old and had been driven more than 40,000 miles.

Mr J told us:

- He’s had a number of issues with the car since he first acquired it;
- it was misrepresented to him because the actual mileage was higher than the mileage recorded on the credit agreement, and although the car was advertised as having a full-service history, this subsequently proved not to be the case;
- there have been several faults with the car including, but not limited to, the car being supplied with an irreparable tyre and other tyres that were borderline legal; cosmetic damage to the paintwork and finish of the car; and faulty electrics that affected the opening of the boot, the operation of the windows, and the random activation of the alarm;
- he exercised his short-term right to reject the car within 30 days of its delivery, but he’s unhappy with the way Northridge and the supplying dealership have attempted to resolve things;
- he wants to reject the car, have the credit agreement cancelled, and be refunded his payments and his deposit. And he wants substantial compensation because of the misrepresentation, the breach of quality standards, and the concealment of previous accident damage.

Northridge rejected this complaint. It said that some of the issues related to consumable items, and it indicated that these weren’t its responsibility. Northridge said the supplying dealership had agreed to refund Mr J the cost of two tyres and it had made a compensation payment of £200. But it did agree to match this goodwill payment, and it said it would pay Mr J a further £200.

Northridge told this Service that although Mr J had rejected the car on delivery due to cosmetic concerns with the paintwork, the supplying dealership had remedied this and re-delivered the car in mid-April 2025. Northridge said that since making his first complaint, Mr J had now complained about some of the electrics, and it had asked the supplying dealership to review these issues and see whether they were in any way linked to earlier problems. Northridge said it did not believe that what had happened justified the cancellation of the finance agreement.

Unhappy with Northridge's response, Mr J brought his complaint to this Service.

Our Investigator looked at this complaint and said he thought it should be upheld, both on the grounds of misrepresentation, and the fact that Mr J had exercised his short term right to reject because the car supplied had not been fit for purpose. But he also told Mr J that there were a number of aspects to his complaint that this Service could not consider; the communications and service provided by the supplying dealership.

Our Investigator explained the relevance of *misrepresentation* in the circumstances of this complaint, and he explained to Mr J and Northridge that when considering misrepresentation he was looking at two things:

- i. whether there was a false statement of fact and, if there was;
- ii. whether the false statement of fact induced Mr J to enter into the finance agreement.

Our Investigator concluded that he wasn't persuaded that Mr J had been told the car came with a full-service history. Put simply, he had no evidence of what Mr J had been told verbally at the supplying dealership, and the car's advertisement did not describe it as coming with a full-service history.

Our Investigator did conclude, however, that Mr J had been given a false statement of fact in regard to the car's mileage. And that taking account of Mr J's persuasive and consistent testimony on the matter, together with the significant effect that recorded mileage has on the value of a car, he was satisfied that this false information had induced Mr J to enter the finance agreement and acquire the car; the car had been misrepresented to him.

Although this finding alone would have been enough to uphold this complaint, our Investigator also went on to consider the quality of the car at the point of supply, and Mr J's exercising of his short term right to reject.

Our Investigator explained that the faults with the tyres and electrics along with the video and photographic evidence of the cosmetic issues confirmed the existence of the faults and issues at the point of supply. And he said that it was not reasonable for these issues and faults to be present on the day of supply – this made the car to be not of satisfactory quality. Accordingly, Mr J was able to exercise his short-term right to reject the car and had done so within 30 days.

Our Investigator set out his recommendations to resolve this complaint. These included the rejection of the car, and the cancellation of the credit agreement. He also said that Mr J should be refunded his deposit, and that Northridge should pay Mr J some compensation. But our Investigator did not ask Northridge to refund the payments Mr J had made under the hire purchase agreement because Mr J had been able to use the car and he should pay for that usage.

Our Investigator communicated his recommendations in October 2025, but this Service has heard nothing from Northridge.

Mr J did not accept these recommendations, so the complaint comes to me to decide. He says he's read other decisions issued by this service and he thinks Northridge needs to do more. He wants all his payments returned because although he continued to drive the car, he had no alternative. And he says he ought to receive additional compensation for his other costs.

## 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 considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll explain why.

I hope that Mr J won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr J should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my final decision. And although Mr J has referenced other final decisions issued by this Service, I'll be making my final decision *solely* on the merits and circumstances of this particular complaint.

The hire purchase agreement entered into by Mr J is a regulated consumer credit agreement which means that 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.

I have also taken into account section 56 of the Consumer Credit Act (1974), which explains that finance providers – in this case Northridge - are liable for what they say and for what is said by a credit broker or a supplier before the consumer enters into the credit agreement. So I can hold Northridge liable for what the broker / supplying dealership said prior to the agreement being entered into – something known as *antecedent negotiations*.

A misrepresentation is a false statement of fact that induces a consumer to enter into something that they wouldn't have entered into otherwise. And in limited circumstances, a misrepresentation can also be an omission of a fact. In other words, where something hasn't been said that should have been.

In the circumstances of this case, I'm satisfied that the car was misrepresented to Mr J for exactly the same reasons as our Investigator; the car's value and the car's mileage were important to him, and the incorrect mileage record detrimentally affects the car's value.

Next, I've considered whether Mr J would have still acquired this car, had it not been misrepresented, and I don't think he would've done so. I say this because irrespective of whether or not it's the case, Mr J believes that the accurate record of the mileage is important and determines the car's value. Put simply, he's persuasive when he says had he known the car's mileage was higher than recorded on the credit agreement, he would not have selected it.

Because I'm satisfied that the car was misrepresented to Mr J, I've gone on to consider what Northridge needs to do to put things right. But before I do this, I also want to consider Mr J's complaint that the car had faults and damage at the point of supply, and he rejected it.

The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the "quality of the goods is satisfactory". To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, include things like the age and mileage of the car at the time of sale, and the car's history.

The CRA says 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 goods.

But the CRA also sets out the circumstances under which a consumer can exercise their '*short-term right to reject*'. It explains that a consumer has a short term right to reject a car if it is of unsatisfactory quality, is unfit for purpose, or is not as described. A consumer may exercise this right, but it is limited to 30 days from the date the car was acquired.

And it's under this part of the legislation that I'm going to uphold this complaint. I'm persuaded that the car supplied was not fit for purpose, and that having highlighted this to the supplying dealership on the day the car was collected, Mr J rejected the car within the statutory limits. I've based this conclusion on the fact that the car was supplied with an irreparable tyre as evidenced by the third-party reports, and more importantly, the outstanding live manufacturer's recall for the potential power steering issue.

As I stated earlier, this Service has received no response from Northridge following our Investigator's analysis of events and subsequent recommendations, so I simply do not know what it thinks, and I have not been able to take its submissions, other than its final response letter and its business file, into consideration.

In summary, I'm upholding this complaint on the grounds that Mr J exercised his short-term right to reject because the car supplied was not fit for purpose; and on the grounds that the car was misrepresented to him. Both reasons are sufficient on their own to uphold this complaint, and both reasons result in the same redress.

I'm going to direct Northridge to cancel the credit agreement and refund Mr J his deposit. I'm also going to ask Northridge to pay him some compensation for the worry and anxiety it caused.

Mr J has enquired about the monthly payments he's made in accordance with the credit agreement. Mr J does not receive a refund of these payments. He's had use of the car, and I've seen no evidence of anything mechanically wrong with it that's impaired or restricted his usage of it.

Mr J has also referred to his costs. But these are costs that come with owning and / or driving a car – they're not costs that he's incurred because of what Northridge did wrong. He's required to tax and insure a car, and the cost of transferring a cherished number plate is a cost that would arise whenever he no longer drove the car.

Finally, I'm not going to increase the award of compensation recommended by our Investigator. I appreciate that bringing this complaint to a satisfactory conclusion has taken some time, but I believe that the award recommended is fair and reasonable in the circumstances of this complaint.

### **Putting things right**

I'm going to direct N.I.I.B. Group Limited, trading as Northridge Finance to put things right by doing the following:

- ending the credit agreement with nothing further to pay;
- removing any adverse information from Mr J's credit file in relation to this credit agreement;
- collecting the car at no further cost to Mr J;
- refunding Mr J his deposit of £200;

- paying 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement\*;
- paying £100 compensation in addition to the £200 previously paid for the distress and inconvenience.

\*HM Revenue & Customs requires N.I.I.B. Group Limited, trading as Northridge Finance to take off tax from this interest. N.I.I.B. Group Limited, trading as Northridge Finance must give Mr J a certificate showing how much tax has been taken off if he asks for one.

### **My final decision**

My final decision is that I uphold this complaint and require N.I.I.B. Group Limited, trading as Northridge Finance to settle this complaint as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 17 March 2026.

Andrew Macnamara  
**Ombudsman**