

The complaint

Mr S complains that a car acquired through a hire purchase agreement financed by N.I.I.B. Group Limited trading as Northridge Finance ('Northridge') is of unsatisfactory quality.

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.

Northridge supplied Mr S with a car on hire purchase in January 2025. The car had done around 83,000 miles and was around seven years old.

Soon after Mr S acquired the car it began experiencing problems. Mr S says he discovered oil leaks from both the front and rear of the car - Mr S wanted to exercise his right to reject the vehicle.

Northridge commissioned an independent inspection and based on these findings it issued its final response letter and didn't uphold the complaint.

Our Investigator considered the complaint but didn't uphold it based on similar reasons. Both parties have had sight of these findings, so I won't repeat them in detail here. In summary she said there was no evidence to suggest the fault was present or developing at the time Mr S acquired the car. So, she didn't think the car was of unsatisfactory quality.

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 our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr S, but I will explain my reasons below.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – as I mentioned above, it reflects my role resolving disputes informally.

The hire purchase agreement entered by Mr 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 Mr S entered. Because Northridge supplied the car under a hire purchase 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 says that 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 Mr S' case the car had covered approximately 83,000 miles and was seven years old when he acquired it. So, I'd have different expectations of it compared to a brand-new car.

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

It isn't in dispute that there's faults with the car, Mr S' testimony, the invoice from the specialist and the independent inspection confirm this. But just because the car requires repair now, doesn't automatically follow that it wasn't of satisfactory quality when it was supplied.

A car has numerous mechanical and electrical parts which will inevitably wear with age and use. Different parts of a car will have differing expected lifespans, and some will be required to be replaced as part of regular ongoing maintenance. With this in mind I've not seen anything to persuade me that the faults which Mr S complains of now, materialised prematurely or the car was not reasonably durable given its age and mileage.

I've thought about the findings of the third-party inspection commissioned by Northridge. The inspection was undertaken in April 2025, and the mileage was recorded as 89,752; it set out the following opinion:

'In our opinion, there is evidence of oil leakage from the engine.

There is some upper leakage from around the fuel injectors and camshaft cover, and more severe leakage from the lower engine area.

There is also some contamination of the rear differential, which will require investigation.

This is all consistent with deterioration of seals and gaskets, which appear to be deteriorating at a similar rate.

This is considered to be commensurate with the age and mileage of the vehicle.

In relation to the engine undertray, a missing fixing was noted, and a cable tie had been used in place of one front fixing.

The undertray is currently secure, although would benefit from reinstatement of the intended fixings.

The abnormal noise from the front of the vehicle will require investigation under workshop conditions to determine the cause of this, although the noise is consistent with a worn joint.

It has been noted that the vehicle has successfully covered 6,515 miles since inception, and as such, we do not consider the defect to have been developing at that point'.

It concluded:

'We can conclude that there are oil leaks from various areas on the vehicle indicating that the seals and gaskets are deteriorating at a similar rate.

The undertray is missing fixings, although is still currently secure. The vehicle would benefit from the correct fixings being put in place, which is a minor issue.

There is also a noise from the frontal area, consistent with a worn joint.

This is considered to be commensurate with the vehicle's age and mileage.

The defects are not considered to have been developing at inception.'

In June 2025 Mr S took the car to a specialist and from the information I have, multiple oil leaks were identified. The mileage at this point was recorded as 95,461 which suggest the car was continued to be driven for a considerable duration between April – June 2025. Whilst Mr S has provided copies of diagnostic reports, I find the independent inspection to be the most persuasive piece of evidence. That's because of the detail, the expertise, the explanation of the inspection and the findings.

The engineer confirmed that their duty is to the courts, and not to the person who instructed and/or paid for the report. As such, I'm satisfied this report is reasonable to rely on. Given the contents of this report and all the available evidence I've seen I don't think the car was of unsatisfactory quality when it was supplied. So, I won't be asking Northridge to do anything more to resolve the complaint.

I appreciate this will be disappointing for Mr S, but I don't think the car was of unsatisfactory quality when Mr S acquired it.

My final decision

For the reasons explained I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 January 2026.

Rajvinder Phaiser
Ombudsman