

The complaint

Miss P, who is represented by a third party, complains that N.I.I.B Group Limited, trading as Northridge Finance ('Northridge Finance'), irresponsibly granted her a hire purchase agreement she couldn't afford to repay.

What happened

In October 2019, Miss P acquired goods financed by a hire purchase agreement from Northridge Finance. Miss P was required to make 60 monthly repayments of £148.44. The total repayable under the agreement was £9,016.40.

Miss P says that Northridge Finance didn't complete adequate affordability checks. She says if it had, it would have seen the agreement wasn't affordable. Northridge Finance didn't agree. It said that it carried out a thorough assessment which included carrying out a credit check.

In my provisional decision dated 20 November 2025, I explained why I thought Northridge Finance hadn't acted unfairly in agreeing to lend to Miss P. I also said I was satisfied that Northridge Finance had carried out reasonable and proportionate checks, including using a credit reference agency. Miss P had a CCJ registered against her several months earlier which didn't show up in those checks. I set out an extract from my provisional decision below:

"Did Northridge Finance complete reasonable and proportionate checks and then go on to make a fair lending decision?"

Before granting the finance, I think Northridge Finance gathered a reasonable amount of evidence and information from Miss P about her ability to repay. I say this because as part of the application process it asked Miss P to provide details about her employment and income. It also completed a credit check which showed no adverse information and gave a good indication of how much she owed and so how much she had to repay each month. However, just because I think it carried out proportionate checks, it doesn't automatically mean it made a fair lending decision. So, I've thought about what the evidence and information showed.

I've reviewed the information and evidence Northridge Finance gathered. Having done so I'm satisfied that the checks that were completed showed that the agreement was likely to be affordable to Miss P. I say this because the credit check didn't flag up any recent or historical issues with paying credit, such as defaults or regular missed payments. Also, what she already owed suggested she'd have sufficient disposable income available to fund the new agreement. For these reasons, I don't think Northridge Finance acted unfairly when approving the finance application.

CCJ issue

I've seen that Miss P had a county court judgment (CCJ) registered in May 2019, which didn't show up on the credit checks carried out by Northridge Finance.

Northridge Finance told our investigator that Miss P wouldn't have met its lending criteria had they seen a CCJ on her credit file.

Northridge Finance explained where information about an active CCJ would have been found in its checks, providing us with a copy of the relevant check information. Northridge Finance also provided us with an extract from the underwriter's notes which also didn't suggest there were any credit issues.

I have no way of knowing exactly what happened here, so I am not going to speculate. But what I can see is that there was no indication of a registered CCJ showing on the checks Northridge Finance carried out at the time.

Given that I'm satisfied that Northridge Finance carried out checks that were reasonable and proportionate and which it was entitled to rely on, I don't agree that Northridge Finance acted unfairly in approving the finance.

It follows that I'm not planning to uphold this complaint."

The third-party representing Miss P disagreed with my findings. I have shared with them the name of the credit reference agency that was used as part of their credit checks. I have also shared the screen shots from the credit check together with the underwriter's notes.

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.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Miss P's complaint.

Whilst I'm sorry to have to disappoint Miss P on this occasion, I remain satisfied that Northridge Finance carried out reasonable and proportionate checks and went on to make a fair lending decision, based on what those checks showed.

It follows that my decision remains that I'm not upholding this complaint.

I've considered whether the relationship between Northridge Finance and Miss P might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think it lent irresponsibly to her or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons given above, I'm not upholding this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 5 January 2026.

Michael Goldberg
Ombudsman