DRN-6123687

The complaint

Mr F has complained about the quality of a car provided on finance by N.I.I.B. Group Limited trading as Northridge Finance

What happened

The circumstances of the complaint are well known to the parties, so I won't go over everything again in detail. But, to summarise Northridge supplied Mr F with a used car on a hire purchase agreement in April 2023. The cash price of the car was around £12,500 and it had covered around 16,000 miles since first registration in February 2020. The hire purchase agreement required payments of around £235 for 48 months followed by an optional final payment of around £4,980.

In September 2024 Mr F said that a conrod in the engine snapped which led to catastrophic engine damage. He said the mileage was only around 31,200 and the car wasn't of satisfactory quality. He complaint to Northridge on this basis.

Northridge said that it had asked Mr F to provide some independent evidence to show that the car wasn't of satisfactory quality when it was supplied. It refunded the cost of the inspection. Northridge said the report, by an engineer I'll call Expert A, didn't support Mr F's claim and it declined to offer anything further. Ultimately it did not uphold the complaint.
Mr F referred his complaint to the Financial Ombudsman. He said he'd been left without a car for over six months and had to pay over £5,000 for a new engine. The manufacturer had contributed 30% of the overall cost. He said that the stress and inconvenience had impacted his mental wellbeing and had caused financial difficulty. An investigator here considered the complaint and said that parts had failed prematurely which meant the car wasn't durable. He recommended that Northridge reimburse Mr F the cost of repairs and awarded compensation of £250.

Mr F agreed with the investigator's recommendations. But Northridge disagreed. In summary it said:

- Expert A's report indicated that the car would have been of satisfactory quality when it was supplied.
- Expert A's report indicated that prior servicing work on the car did not cause the fault, but it also didn't state the fault was unrelated to the advisories which were not completed. The advisories indicated that a part had "started to break up" and any worn or damaged parts should be changed in order to properly maintain a vehicle irrespective of the guideline lifespan. Opting not to complete the advisories at the service was likely the cause of the fault.
- The investigator was not qualified to diagnose the fault; it was an opinion and not fact which is verifiable. The report findings were contradictory to the investigator's findings.
- An MOT test did not reflect whether the car was properly maintained.
- The length of time and mileage covered indicated that the car was of satisfactory quality when supplied. It was unreasonable to say this was pre-existing.

As an agreement couldn't be reached the complaint was passed to me to make a decision. I issued a provisional decision which said:

When considering what is, in my opinion, fair and reasonable, I take into account relevant law and regulations; regulator's rules, guidance, and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Firstly, I am very sorry to hear about the difficulties Mr F has described to this service. However, I think it is worth noting at this early stage that I am not intending on reaching the same outcome as our investigator. I know he is unlikely to be happy with this decision. However, my role is to resolve disputes informally. I'm not able to compel witnesses or to marshal sworn testimony in the way a court can. He doesn't have to accept my decision and may choose (after seeking legal advice as appropriate) to take more formal action against the supplier, such as through a court.

The agreement in this case is a regulated consumer credit agreement. As such, 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 their quality.

The Consumer Rights Act 2015 (CRA) is also of particular relevance 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."

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply 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.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality at the point of supply. It doesn't seem to be in dispute that there is a fault with the car, and it needed a significant repair.

The CRA says that "goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer much be taken not to have conformed to it on that day". This means it is assumed that where a fault occurs which makes the car of unsatisfactory quality within the first six months, it is generally up to the business to put things right. After six months it falls to the consumer to demonstrate the fault would have been present or developing at the point of supply.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.

Mr F was able to drive the car for around 15,280 miles before the car broke down in September 2024. This is important to note as some of the issues may have arisen or become apparent during this time, but they may not have been present or developing at the point of supply.

The issues he experienced could be due to damage sustained during Mr F's possession of the car, or reasonably expected wear and tear, or even third-party repairs, which wouldn't be Northridge's responsibility. Or it could point to a defect that was present at the point of supply.

The car supplied to Mr F was used, around three years old and had covered around 16,000 miles. Although it was a fairly recent model and had low mileage for its age, there would be different expectations of it than if it was a brand-new car. The car cost around £12,500 which is significantly less than if it were a new car. The price paid reflects the age and condition of the car.

Mr F needed to demonstrate the fault would have been present or developing at the point of supply. He commissioned Expert A to look into the problem and to provide a report. It was reasonable for Northridge to request this evidence and also refund this cost in order to assist Mr F.

I appreciate that our investigator had his own opinion on whether the car was durable. But the report from Mr F's expert is unfortunately inconclusive. I don't hold myself to be an expert with mechanical engineering. I'm somewhat reliant on the experts that have seen and inspected the car. Expert A is recognised in the industry to perform these inspections. His statement includes his qualifications and a statement of truth to the court. It would be difficult for me to question the authenticity or opinion stated in that report.

I think that Expert A reached a conclusion that Mr F hasn't caused the fault by how the car has been driven. He's also confirmed that the fault wasn't caused by the service itself or something that the technician did. Unfortunately, the report, isn't able to reach a conclusion on what caused the fault or whether the car was durable. But what it does say is:

"It is quite clear this vehicle would have been perfectly satisfactory to operate at the point of purchase and therefore we do not believe this fault was present at point of sale and has occurred during operation of the vehicle".

Mr F has provided evidence to show that the car was serviced in January 2021, October 2022, August 2023, and July 2024, which seems to be in line with the manufacturer recommendations. The service in July 2024 noted that the wet belt had started to deteriorate. I fully appreciate that Mr F says that the wet belt is still intact in the car, and it is the conrod that has prematurely failed. But I'm also aware that even a partially failing wet belt can lead to a loss of timing, which might lead to other parts of the engine failing.

There isn't sufficient evidence about why the wet belt started to degrade and why the conrod failed. In the absence of a more conclusive finding by Expert A, I've considered this in more detail.

I'm aware that the manufacturer has had widely reported issues with the wet belt in some models of this car. Some cars have also been subject to a recall notice and the manufacturer

set up a compensation scheme which covered costs related to excessive oil consumption and/or premature timing belt failure. I haven't seen that this specific car was recalled for this reason. The wet belt should in theory last 6 years or 60,000 miles as per the manufacturers recommendations for when it should be changed, this seems to be corroborated by the engineer that serviced the car in July 2024. The conrod, while expected to last the lifetime of the car, can be impacted by oil starvation as alluded to by Expert A when he said, "this type of defect is often related to some form of lubrication issue".

How long the parts should last is also affected by how the car is driven and the quality of the oil and other factors. I've taken into account that the first two services were performed by the supplying dealer who is also a manufacturer approved dealer. And Expert A said that Mr F hadn't caused the fault by how the car has been driven. Mr F covered around 15,000 miles in just over a year, which doesn't appear to automatically indicate lots of short journeys. But we don't know how the car was driven in the three years before he acquired it. I don't find I have sufficient evidence to say it is more likely that the car wasn't of satisfactory quality when it was supplied because it wasn't durable.

I understand that Mr F has paid for the engine to be replaced and he's received a contribution from the manufacturer. The evidence he's provided shows that the dealer was aware of the problem and the manufacturer made an offer to pay 30%. Often manufacturers will make a contribution which is conditional on the age, mileage, and service history as a gesture of goodwill. Or this offer might have been made as part of the compensation scheme that I mentioned earlier. I don't have enough information about why it was made, but it does imply that the manufacturer accepted something wasn't quite right and parts had failed sooner than expected.

Mr F is claiming that his losses are a consequence of the car not being sufficiently durable. But there's a lot to think about when deciding whether losses should be payable in these sorts of situations. I need to think about whether the losses were directly flowing from the breach of contract; whether Mr F has tried to mitigate his losses; and whether they were reasonably foreseeable or too remote.

I can't ignore that there was an advisory note in the July 2024 service which said" Aux belt tensioner and aux belt noisy… This car has a wet cambelt which has started to break up, these should be changed every 6 years"" [sic]. I haven't seen anything which indicates that Mr F had further investigations after this and before the car ultimately failed, although I understand that he might have been told replacing the wet belt wasn't required immediately. I make no findings on his actions as I know he has had a lot to deal with. But the wording of the advisory implies that part of the wet belt had already started degrading. So, I can't rule out the possibility that the failure to replace the degrading part, might have contributed to the overall wear on the car, and the total cost of the significant repair.

Had that repair taken place earlier it might not have led to the catastrophic failure. We'll never know what would have happened. But I find it likely that his losses might have been limited to the cost of replacing the wet belt, which he was told was between £1,000 and £1,500. I can't say for certain whether that amount is accurate or how much Mr F would have paid. From my research the cost varies and ranges from around £600 to £1,500.

It's clear that the manufacturer here has already made a reasonably significant contribution towards Mr F's losses. So even if I were able to conclude that the car wasn't reasonably durable because the wet belt had degraded prematurely, and I have to be clear and say I don't think there is sufficient evidence to reach this conclusion; it seems likely that the manufacturer contribution has already covered that loss.

I'm sorry to disappoint Mr F but I haven't found that the car wasn't of satisfactory quality

when it was supplied. The question of durability is finely balanced. But even if I were to accept that the car wasn't sufficiently durable because the wet belt failed prematurely and this led to the catastrophic engine failure; I also can't ignore that there was an opportunity to replace the wet belt which might have avoided the situation. I think the manufacturer has covered any losses that I would have been able to direct Northridge to pay. I don't yet find that I have the grounds to direct Northridge to do anything to resolve this complaint as the answer that it gave in its final response wasn't unreasonable.

As neither party responded, I'll now go on to make my final decision.

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.

Although I haven't received any responses to my provisional decision, I'm making a final decision as I need to draw a line under the complaint, and this marks the end of our process.

On the basis I've not been provided with any further information to change my decision I still consider my findings to be fair and reasonable in the circumstances.

As a reminder Mr F doesn't have to accept my decision. Then he'll be free to pursue the complaint by other means, such as through the courts, if he wishes.

Therefore, my final decision is the same for the reasons set out in my provisional decision.

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 F to accept or reject my decision before 3 March 2026.

Caroline Kirby
Ombudsman