

The complaint

Ms C complains about a car supplied under a hire purchase agreement, provided by N.I.I.B. Group Limited trading as Northridge Finance.

What happened

Around February 2025 Ms C acquired a used car under a hire purchase agreement with Northridge. The car is listed with a cash price of £28,999. Ms C paid a deposit of £6,500. The car was just over three years old and had covered around 37,328 miles.

Unfortunately, Ms C says the car developed issues. She said an engine management light ('EML') came on the day after she got it. She said this was then diagnosed as an issue with the water pump and coolant system.

Ms C was initially unhappy to wait for a repair and asked the dealer to reject the car on 25 March 2025. Ms C also complained to Northridge.

Ms C explained she then decided to allow the car to be repaired. She said a software update and service was carried out at the beginning of April 2025. But she said in mid-April 2025 the EML returned.

In May 2025 Northridge wrote to Ms C and said it was still investigating the complaint. It explained she could refer the complaint to our service.

The car was returned to a manufacturer's garage in mid-May 2025. Ms C explained some updates were applied. But she said the EML again returned a few days later. The car was returned the same month and a fault with the hybrid battery was identified, which needed to be replaced. Ms C was provided with a courtesy car.

Later in May 2025 Northridge then issued a final response. This said, in summary, that it was upholding the complaint and that repairs would be carried out free of charge to Ms C.

On 8 July 2025 Ms C told Northridge she wanted to reject the car as repairs were taking too long. Ms C said she was told the car was repaired on 11 July and she collected it on 17 July.

Ms C remained unhappy with this and referred the complaint to our service. She said she still wanted to reject the car.

Northridge told our service that Ms C had accepted repairs to the car and it had refunded her the cost of diagnostics carried out. So, it thought things were resolved.

Our investigator then issued a view and upheld the complaint. She said, in summary, that she thought the car wasn't of satisfactory quality. But, she said Ms C didn't have the right to reject it as repairs had taken place. She said Northridge should pay her 10% of her monthly payments for the time she had a courtesy car.

Ms C didn't accept this. In summary, she said she initially rejected the car within the time

limits for the short term right to reject. She said the later repair caused her significant inconvenience. She said she never accepted the car back. She said the fault was significant and could impact the future reliability of the car. And she said she should be able to reject the car, get back all payments made to the agreement and be paid compensation.

Our investigator then said Northridge should also pay her £200 to reflect the distress and inconvenience caused.

Ms C did not accept this.

Northridge also didn't accept. It said, in summary, that a repair was quickly completed, minimising any impact. And it said the dealer had confirmed a courtesy car had been provided from the same manufacturer, so it didn't think a reimbursement was reasonable.

As both parties remained unhappy, the complaint was passed to me to decide.

I sent Ms C and Northridge a provisional decision on 25 February 2026. My findings from this decision were as follows:

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 initially think this complaint should be upheld. But I do not think Ms C can reject the car. I'll explain why.

Firstly, I'd like to explain to both parties that I might not comment on every point raised or every single piece of evidence. I want to reassure Ms C and Northridge that I've carefully considered all of the available information. But, I'm going to focus my decision on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Northridge here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description. The CRA also sets out that the durability of goods can be considered as part of satisfactory quality.

In this case I'll consider that the car was used, so I don't think a reasonable person would expect it to be in the same condition as a newer, less road worn one. But it was only around three years old and had covered just over 37,000 miles. And it cost not far off £30,000. So, I think a reasonable person would still have expected it to be in good condition, free from anything other than minor defects and would expect trouble free motoring for a time.

I don't think the satisfactory quality of the car is really in debate here, as Northridge upheld the complaint in its final response. So, I don't need to comment on this in much detail.

In summary, I find it most likely what Ms C told us is correct and I've no reason to doubt her timeline or version of events. I'm satisfied Ms C's car suffered from a major fault where it needed a new hybrid battery. And I'm persuaded, based on the history, this was likely present or developing at the point of supply. It follows that I find the car was of unsatisfactory quality when Ms C got it.

That brings me to what is in dispute. Given the car was not of satisfactory quality, I need to consider if Northridge needs to do anything further to put things right. And I think it's fair to say that the crux of this complaint is whether, as part of this, Ms C now has the right to reject the car.

I can see Ms C initially asked to reject the car around a month after she got it. But I'm then persuaded she agreed for repairs to be carried out. Even if I found she did have the short term right to reject at the time, I would find she lost this when she agreed for the work to be completed. So, either way, this wouldn't change my opinion.

I've then considered what later happened. I'm satisfied Ms C again, at least initially, agreed for repairs to be completed in May 2025. She later asked to reject the car on 8 July 2025.

I've thought carefully about this. In general terms, I don't think it would be reasonable to agree to a repair and then ask to reject. However, the CRA explains:

"If the consumer requires the trader to repair or replace the goods, the trader must—

(a) do so within a reasonable time and without significant inconvenience to the consumer"

Ms C essentially made the argument in response to the investigator's view that the above applied. So, I've very carefully considered this. I believe Ms C's car went in for the final repair on 20 May 2025. At the point she asked to reject, this meant the garage had had the car for seven weeks.

I appreciate this is not what I would call a quick repair. However, I need to consider the work being carried out – I think it's fair to say the replacement of a hybrid battery is major work, likely requiring parts that would not be kept in stock. I've also noted the repair was completed a few days after Ms C asked to reject the car.

Thinking about this, under the specific circumstances here I've not seen enough to persuade me the repair wasn't completed within a 'reasonable time'.

I've then noted that Ms C had a courtesy car, from the same manufacturer, over this period. So, I also find the repair was completed without significant inconvenience to Ms C.

It follows I find it reasonable Northridge didn't allow her to reject the car in July 2025.

A repair was one of the rights that was available to Ms C. It isn't in dispute that the repair was carried out without charge to her and it appears she has already been reimbursed for the previous diagnostics. And I've seen no evidence to suggest the repairs weren't successful. So, in broad terms, I find her rights under the CRA were met.

I've then gone on to consider if anything else needs to be done to put things right.

Our investigator thought Ms C should be reimbursed 10% of the monthly payments for the time she had a courtesy car. But I don't think this is reasonable under the specific circumstances here. Ms C was kept mobile during the repair. While she says the car provided had "limited functionality", it was from the same manufacturer. And given Ms C's car is the smallest model the manufacturer produces, I'm satisfied she was at least put in the same class of car. So, I don't think Northridge needs to take any action on this point.

I also agree with our investigator that Ms C has suffered from distress and inconvenience here. I'm sure it must have been upsetting when the car developed faults. She has had to take it in on multiple occasions to be repaired. She's had to take time out to resolve things,

over several months. And she was also without her own car for several weeks.

Our service's approach to payments for distress and inconvenience can be found on our website. Having reviewed these, I'm satisfied Ms C was caused significant inconvenience and disruption over many weeks. So, I find Northridge should pay her a higher amount of £500.

I want to reassure Ms C and Northridge again that I've carefully considered all of the other points made by both parties. But these do not change my opinion.

I gave both parties two weeks to respond with any further comments or evidence.

Northridge didn't reply.

Ms C got in touch and didn't agree. She gave various reasons why she thought she had the right to reject the car.

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.

I've very carefully thought about what Ms C said in response to my provisional decision. She replied at some length about this. While I won't echo the volume of writing here, I want to reassure her I've considered everything she said.

Ms C said Northridge didn't explain its role and responsibilities when she complained. However, even if this was the case, it doesn't change the facts I've set out above.

I've also thought about what Ms C said about her conversations with Northridge about rejection. But this doesn't change the fact I'm satisfied she had agreed for the car to be repaired.

Ms C said she exercised her short term right to reject and that Northridge are responsible under Section 75 of the Consumer Credit Act 1974 ('S75') for the condition of the car when it was supplied. I've already explained my thoughts above about the short term right to reject. And S75 does not apply in this case.

Ms C said she didn't accept the repair as a resolution and the CRA sets out that she didn't lose her final right to reject. But, respectfully, I disagree with this for the reasons I explained above.

Ms C said she thought repairs had been unsuccessful. But I've not seen evidence to persuade me this is likely the case.

Ms C mentioned issues with the courtesy car. But I still think what I set out is reasonable here.

Again, I want to reassure Ms C that I've thought about everything she's said. But this doesn't change my opinion.

Having reconsidered everything again, I still think what I explained in my provisional decision and set out above is fair and reasonable under the circumstances.

My final decision

My final decision is that I uphold this complaint.

I instruct N.I.I.B. Group Limited trading as Northridge Finance to put things right by paying Ms C £500 to reflect the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 10 April 2026.

John Bower
Ombudsman