

## **The complaint**

Miss H complains that a car she acquired via a hire purchase agreement with N.I.I.B Group Limited trading as Northridge Finance wasn't of satisfactory quality. She wants to reject the car and unwind the agreement.

## **What happened**

In May 2023 Miss H entered into a four-year hire purchase agreement with Northridge Finance for a used car. The car was just under two years old and had a mileage of about 26,250 miles. The monthly payments were set at £360.23.

Shortly after acquiring the car, Miss H experienced an issue with the boot lid opening when the car was parked and the alarm occasionally activating. It was agreed that these would be looked at under the warranty.

However, around one month after acquiring the car Miss H hit a pothole while driving which punctured the tyre and activated the seatbelt's tensioners. Miss H was advised that the seatbelts would need to be replaced and that this wouldn't be covered by the warranty. Miss H says she was told the cost of replacing the seatbelts would be around £1,300.

In October 2023, while waiting for parts for both the repairs to the seatbelts and the warranty repairs, Miss H says the control arm/steering rod broke when she was driving at about 10mph. The car was undriveable and had to be recovered.

Miss H says the repairing dealership told her that for this type of damage the car had to have been involved in a heavy side impact. She was told these repairs wouldn't be covered by the warranty and would cost around £10,000 to fix. Miss H also says she was told that hitting the pothole wouldn't have caused this type of damage.

Miss H complained to Northridge Finance about the condition of the car as she believed the car had sustained the damage to its steering before she had purchased it. She asked to reject the car.

Northridge Finance didn't uphold her complaint. It said that hitting the pothole was the likely cause of the damage and that the other issues with the car were covered by the warranty.

Miss H complained to this service. Our investigator didn't recommend that her complaint should be upheld. He said that although he agreed the car was now faulty, he didn't think the problem with the steering would have been present at the car's point of supply. Our investigator said it was more likely than not that the impact with the pothole had damaged the car's steering and Northridge Finance hadn't acted unfairly in declining Miss H's request to reject the car.

Miss H disagreed with our investigator's view and her complaint has been passed to me.

## **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.

As the hire purchase agreement entered into by Miss H is a regulated consumer credit agreement, then this service is able to consider complaints relating to it. Northridge Finance is also the supplier of the goods under this type of agreement and is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 there is an implied term that when goods are supplied the quality of the goods is satisfactory. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that 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 the goods.

Here the car was around two years old and had a mileage of 26,254, meaning some wear and tear would have been suffered by its components and repair and maintenance issues would be expected to arise after a reasonable period of time. It wouldn't be expected to be fault free like a new car.

I've seen that Miss H experienced issues with both the boot and alarm shortly after acquiring the car. I've also seen that these issues were being repaired under the car's warranty. And although I appreciate that Miss H was unhappy about the repairing dealer's service regarding these repairs, I don't think I can reasonably say that Northridge Finance had any control over this. And I don't think I've seen enough evidence that the nature of the faults with the boot and alarm meant it would have been proportionate for Miss H to be entitled to reject the car because of them.

Miss H has described the incident where she hit a pothole and burst a tyre. I've seen that this activated the safety feature with the seatbelts as it fired the seatbelt tensioners. I haven't seen any evidence that there had been any fault with the seatbelts that led to them being activated and once they have been activated then they will need to be replaced. This is their design and so I wouldn't expect this to be covered by a warranty. I think Miss H having to cover that repair is reasonable.

Miss H says she was told that hitting a pothole wouldn't have damaged the car's steering and that it must have been in a side collision for this damage to have arisen, but I haven't seen anything in writing to confirm that. Miss H has said that the car must have been damaged prior to her acquiring it. However, I've also seen that the supplying dealer has said that if the impact was sufficient to both burst a tyre and activate the seatbelt tensioners then it's likely to have caused damage to the steering.

Where evidence is missing or contradictory, then I need to decide what I think is the most likely thing to have happened. Here the car had been involved in an impact with a pothole and I accept the view of the supplying dealership that this must have been of some force to have had the resulting effect on the seatbelts. The car's steering then suffered a major fault around three or four months later. I think the cause of the steering failure is more likely to be linked to the pothole than to any accident prior to Miss H acquiring the car. I think if the steering had been damaged at the point of supply, then the issue with the steering would have arisen sooner than it did. So, I think it's more likely than not that the fault with the steering wheel wasn't present at the time the car was acquired by Miss H and is directly linked to the striking of the pothole.

Miss H has sent in a safety recall notice for the car from the manufacturer which is related to a possible issue with the car's electric power steering software. This notice warns that the electric power steering support could become impaired in the event of an independent hardware malfunction. However, while I appreciate this recall notice is about the car's steering, I don't think it would cause the fault that has now been found with that. I'm still satisfied that the issue with the steering is as a result of damage sustained from hitting the pothole.

I appreciate my decision will be of disappointment to Miss H but for the reasons set out above I'm not upholding her complaint.

### **My final decision**

For the reasons set out above, I'm not upholding Miss H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 5 February 2025.

Jocelyn Griffith  
**Ombudsman**