

The complaint

Miss W, who is the executor for the estate of the late Miss S, has complained that N.I.I.B. Group Limited trading as Northridge Finance ("Northridge") gave an incorrect settlement figure for an agreement taken out to acquire a car.

What happened

In March 2020, Miss S acquired a car using a hire purchase agreement with Northridge.

Miss S passed away in October 2022. Miss W was appointed executor for the late Miss S' estate in November 2022.

Miss W was aware there was a financial sum outstanding in connection to the car and so wanted to understand what her options were. Northridge responded in October 2022. Within it, there was the option to settle the agreement in full and they provided a settlement figure of £6,003.15, which was valid for 30 days.

Miss W said she intended to sell the car to a third-party dealership who would then settle the finance. But in order to do so, Miss W said the dealership would only accept a settlement figure provided by the lender if it was on letterhead paper.

During a call with Northridge in November 2022, Miss W complained to them. Among other things, Miss W said she was unhappy with Northridge's processes and how they wouldn't provide a settlement figure over the phone, but only in writing by post initially. She was also unhappy that Northridge provided her with an incorrect settlement figure.

Miss W said Northridge eventually emailed her the settlement figure and confirmed to her it was the same figure given in October 2022. The settlement figure was also sent to her in the post, alongside being sent by email. But in one of the settlement quotations sent to Miss W, the settlement figure was £6,003.51.

Miss W sent the dealership the settlement figure of £6,003.51 as this was the figure provided with a letterhead.

A purchase agreement form completed by the dealership and Miss W had the sum of £6,003.51 recorded as the settlement figure.

Miss W believed she had given the third-party dealership the incorrect settlement figure and in turn, since the car had been sold, she believed Northridge had received more funds than they should have to settle the agreement.

Northridge responded to Miss W. They said, in October 2022, they generated a settlement quotation of £6,003.15. However, in an email sent to Miss W, the settlement figure quoted was £6,003.51. Northridge said, given the difference in pence, it was a typo. They said they received the correct amount to settle the account.

Miss W remained unhappy with Northridge's response and felt they hadn't adequately addressed her complaint points. She said she found the whole situation stressful and so referred the complaint to our service.

Our investigator found that Northridge didn't need to do anything to put things right. In summary, he acknowledged Northridge sent Miss W an incorrect settlement figure. He went on to say Northridge said it was a typo and they confirmed the correct amount was received to settle the agreement. Our investigator later found that Northridge generated a preferential settlement of £6,003.15 in October 2022. And Northridge later confirmed to our service the amount they had received to settle the agreement was £6,003.51 in November 2022.

Our investigator still didn't think Northridge needed to do anything, as Northridge explained that when they generated the settlement amount in October 2022, they did not apply the full charge they should have, which would have resulted in a settlement figure of £6,052.08. Northridge said in normal circumstances, they should have calculated the settlement figure taking into account the deferred settlement date, but this could be waived where it was deemed appropriate. They said they had done so on this occasion, given the circumstances of bereavement. And by doing so, they had generated the lowest settlement figure possible, which was around £48 less than what would have been normally required.

Miss W disagreed when the investigator shared his findings with her. She said, among other things, that she didn't think Northridge took into consideration the date of the late Miss S' passing, nor when they were notified of her passing. Miss W believed she had previously been given the settlement figure of £6,052.08 over the phone which she queried, and it wasn't addressed in this manner then.

And so 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'm not upholding this complaint. And I'll explain why below.

First of all, I would like to express my condolences to Miss W on the passing of the late Miss S. I do appreciate that dealing with this issue must have been difficult and I want to reassure Miss W I have taken this into consideration when reaching my decision.

However, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

This complaint is about a hire purchase agreement in the late Miss S' name taken out with Northridge which is a regulated financial product. As such, we are able to consider complaints about it.

It isn't in dispute an incorrect settlement figure had been given to Miss W. Northridge has accepted it did and explained to Miss W that it was likely sent in error, and due to a typo in communication sent to her. Miss W believed the settlement figure should have been £6,003.15. It has later transpired that to settle the agreement, £6,003.51 was paid. Northridge has also confirmed this. So, overall, it seems that an additional 36 pence has been paid.

In this instance and for me to reach a fair and reasonable outcome, I need to consider what impact this mistake has had, if any, and whether the estate has suffered any financial loss.

Miss W believes Northridge has received more funds than they should have to settle the agreement. But it has later transpired that Northridge, when they had generated the figure in October 2022, hadn't taken into account the deferment of settlement date. This meant that Northridge had generated a settlement figure which was around £48 less than they should have generated. So, while Northridge did receive 36 pence more than they should have, I am still mindful that it is around £48 less than they could have charged.

Miss W says she was previously given the figure of £6,052.08 during a call she held with them, which she queried, and she says it wasn't addressed in this manner then. Northridge has provided us a screen shot of their internal systems and I can see the settlement figure of £6,052.08 was generated in November 2022. I can't be sure why Northridge generated this new settlement figure, and then chose to confirm the correct one was the same as that provided in October 2022. But, it is likely it was due to Miss W querying the figure provided. I also can't be sure why Northridge didn't explain to Miss W why they chose to accept the settlement figure they generated in October 2022, rather than the one in November 2022. But, I don't think I need to make a finding on this point to be able to reach what I think would be a fair and reasonable outcome.

I accept an incorrect figure was quoted to Miss W when requested. But I don't think this in itself is enough to warrant compensation to be awarded. I say this because, in this instance, no financial loss was suffered to the estate as Northridge didn't charge the higher amount they could have. And also, the estate is not a 'person' for the purposes of a complaint; it cannot be distressed, and so I don't think an award for compensation is appropriate.

There are aspects to this complaint which I am not able to comment on. How Northridge conduct their complaint handling process isn't something I can review as we are not a regulatory body.

Considering everything here, and what I consider to be fair and reasonable, I don't think Northridge need to do anything to put things right. I hope that setting things out as I've done helps to explain how I've reached my conclusions.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Miss S to accept or reject my decision before 20 October 2023.

Ronesh Amin
Ombudsman