

The complaint

Mr D complains about the quality of a laptop he bought using a running account credit agreement with Creation Consumer Finance Ltd ("Creation").

What happened

Mr D bought a laptop in December 2019 using a running account credit agreement with Creation. The laptop cost £839.

Mr D tells us a fault occurred with the laptop in January 2023, so he took it back to the store he bought it from. Mr D says the store tried to get the laptop working again but couldn't, so they took it in for repairs. He then received a call saying the repairs could cost around £500 to £600. Mr D says he didn't want to accept this and explained that the laptop had only been used for a few years. The supplier subsequently offered Mr D a partial refund of £407 taking into account that he'd been able to use the laptop for three years. But Mr D remained unhappy.

As the supplier didn't resolve things for Mr D, he contacted Creation to complain. He said to Creation that his laptop stopped working due to a broken SSD card which he believed was a manufacturing fault. Creation rejected the claim. They said the supplier told them the laptop was no longer in warranty, so the supplier was unable to repair the laptop free of charge, and that Mr D needed to fund the repair cost.

Mr D wasn't happy and brought his complaint to us. Our investigator looked into things but didn't think there was sufficient evidence to uphold the complaint. He noted the supplier had made an offer of £407 to Mr D which he felt was fair taking use and depreciation into account. And he said that most experts estimated a laptop's lifespan to be three to five years and that Mr D had no problems with the laptop until three years had passed.

Mr D didn't agree. He said the supplier had confirmed the laptop had a manufacturing fault and said other consumers had experienced the same issue with this make and model.

As Mr D's complaint couldn't be resolved, it's been passed to me for a 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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr D and Creation that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr D used a regulated running account credit agreement to purchase the laptop. Our service can consider complaints relating to these sorts of agreements.

I've taken into account the relevant law which in this case is Section 75 of the Consumer Credit Act 1974 ("section 75"). This makes Creation responsible for a breach of contract or misrepresentation under certain conditions.

The Consumer Rights Act 2015 (CRA) is also relevant to this complaint. The CRA implies terms into the contract that goods supplied will be of satisfactory quality. The CRA says the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price or other consideration for the goods (if relevant) and all other relevant circumstances.

Section 9(3) of the CRA says:

"The quality of goods includes their state and condition; and the following aspects (among others) are in appropriate cases aspects of the quality of goods—

(a) fitness for all the purposes for which goods of that kind are usually supplied;

(b) appearance and finish;

(c) freedom from minor defects;

(d) safety;

(e) durability."

I understand the laptop was new when Mr D bought it. So, it should have been free from even minor defects and been durable. The CRA sets out 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 must be taken not to have conformed to it on that day unless it's established the goods did conform to the contract on that day or that the application is incompatible with the nature of the goods or with how they fail to conform to the contract.

I believe Mr D used the laptop for three years without any issues. So, I'd need to see sufficient evidence from Mr D to show the laptop wasn't of satisfactory quality when it was sold to him to say there'd been a breach of contract.

I've considered the evidence supplied relating to the problem with the laptop. On the one hand, Mr D said this was an issue with the SSD card, and after researching this, found out that this was widespread on the particular model he'd bought. But on the other hand, the repair centre said the laptop would have become faulty a lot sooner had there been a manufacturing defect.

As the fault happened three years after purchase, I'd like to have had much more certainty the fault was something that made the laptop of unsatisfactory quality when Mr D bought it. There's a variety of things that can go wrong with electrical goods. In my view, there's insufficient evidence to show the problem with Mr D's laptop was present or developing at the point of sale.

While I can understand why Mr D was disappointed, given the time taken for the fault to manifest, I've not seen enough to show the laptop wasn't durable.

Therefore, while I sympathise with Mr D, I don't find there's sufficient evidence of a breach of contract for which Creation would be liable under section 75. So, I don't have the grounds to direct Creation to reimburse Mr D for what went wrong. I note that our investigator said in his view that the supplier should pay Mr D the £407 they offered him. However, this complaint is against Creation, not the supplier. So, I have no powers to direct

the supplier to pay Mr D the money. If Mr D still wishes to accept the supplier's offer, he should contact them directly. I'd like to apologise to Mr D for the confusion about this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 December 2023.

Daniel Picken
Ombudsman