

## **The complaint**

Mrs W has complained that Shawbrook Bank Limited ("Shawbrook") rejected her claim against it under Section 75 of the Consumer Credit Act 1974.

## **What happened**

Mrs W bought solar panels and a boiler in 2015. The purchase was funded by a loan from Shawbrook, and that business is therefore liable for the acts and omissions of the supplier under the relevant legislation. In this case, Mrs W alleges that the supplier misled her into believing that the solar panels would be self-funding in that their benefits (through income and savings) would cover the monthly loan repayments from the start.

Mrs W's complaint was considered by one of our investigators. She recommended the complaint be upheld. Shawbrook disagreed, so I was asked to make a decision.

I issued a provisional decision explaining that I was not planning to uphold this complaint. Neither Shawbrook nor Mrs W provided any further comments or information by the deadline given. So, this final decision is in line with my provisional 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.

Section 75 of the Act says that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there's either a breach of contract or misrepresentation by the supplier of goods or services.

I have the power to look at this complaint about whether Shawbrook's response to a Section 75 claim was fair and reasonable. In doing so, I can take into account the representations of the supplier during the sale, because Section 56 of the Act says that any negotiations between Mrs W and the supplier are deemed to have been conducted by the supplier as an agent of the credit provider.

For the purpose of this decision, I've used the definition of a misrepresentation as an untrue statement of fact or law made by one party (or his agent) to a second party which induces that second party to enter the contract, thereby causing them loss.

Having carefully considered everything provided, I do not uphold this complaint.

Mrs W has said she initially approached the supplier about buying a new boiler but was persuaded to buy solar panels as well. I think it is unlikely that she would've purchased the solar panels without some discussion of their benefits. The supplier produced a table of estimated benefits of the solar panels at the time, a copy of which I have seen. And I think it is likely this would've formed the basis of the discussion – even though Mrs W doesn't recall seeing the table.

The table shows the basic (or cash) price of the solar panel system excluding the cost of the

boiler. It then sets out estimates of the Feed-In Tariff ("FIT") income and electricity savings that the system may provide over 20 years. In doing so it shows the assumptions this is based on, including FIT tariff and electricity unit rates, and the percentage rate by which these might increase each year (inflation).

I do not think the assumptions used were unreasonable. So, I would not say it was a misrepresentation simply because the actual benefits realised are less than shown in the quote.

I understand that the system is generating electricity as expected and the FIT income at the start was in line with the amounts shown in the table. That inflation hasn't matched the assumptions used initially means that the FIT income over time is less than shown in the table. But I don't think that means there was a misrepresentation. And I'm mindful of recent high inflation meaning that FIT rates may catch up or overtake the supplier's predictions as time passes.

Electricity savings are hard to quantify, since the savings are relative to what Mrs W's electricity bills would've been if the solar panels hadn't been installed – something which can't be definitively calculated. Alongside that, the savings are dependent upon how Mrs W uses electricity in the home, which is beyond the supplier's control. So, I don't think the savings could be, nor were they, guaranteed even in the first year after installation. But, given the assumptions used to calculate the savings do not appear unreasonable, I am not persuaded there was a misrepresentation on the part of the supplier.

I think it is unlikely that the supplier said the system would be self-funding from the start in that the income and savings would cover the monthly loan repayments (Mrs W's allegation). I say this because the first-year benefits shown in the table (£618.22) do not exceed the first year's loan repayments (£900.24).

And while the table suggests Mrs W may have been told the system would be self-funding within the loan term or within its lifetime (the total benefits exceeding the cash price and the total payable under the loan agreement within 15 years – even including the part of the loan that covered the boiler), I don't think this was a misrepresentation. Firstly, because saying the system would be self-funding within the loan term was based on reasonable assumptions. And secondly because even though the savings may not have been as much as shown in the table, the combination of income and savings over the lifetime of the system are still likely to exceed what Mrs W paid for it including loan interest.

While I've carefully considered Mrs W's testimony, I find the documents from the time of sale to be more persuasive in terms of what she was likely told at that time. So, on balance, I am not persuaded there was a misrepresentation on the part of the supplier. As such, I don't think Shawbrook was unreasonable in not upholding Mrs W's claim or complaint.

### **My final decision**

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 19 December 2023.

Phillip Lai-Fang  
**Ombudsman**