

The complaint

Mr C is unhappy with the response from HSBC UK Bank PLC (HSBC) following a claim he made against it under Section 75 of the Consumer Credit Act 1974 ("the CCA").

What happened

In 2011 Mr C purchased solar panels. He says he was told at the time that the panels would provide an income from the Feed in Tariff (FIT) payments and reduce his energy bills.

In 2016 Mr C purchased a battery system, and says he was told would reduce his electricity bills further.

In 2022 Mr C contacted this service, saying he had been mis-led about the benefits of the panels and the batteries. And that his roof had been damaged by the installation. He wanted his claim reviewed and his money back.

HSBC issued a final response to Mr C saying that it had no records dating back that far.

As Mr C remained unhappy, he asked this service to review his complaint. One of our investigators contacted Mr C for more information, and he said he had paid for the panels by cheque and did not have any records to show how he paid for the battery system. The investigator explained that she didn't think she could ask HSBC to do anything further. The way Mr W had paid, meant he couldn't make a claim under the CCA.

As Mr W didn't agree, the case was passed to me to make 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.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered to have been good industry practice at the relevant time.

I understand that Mr C feels that he was mis-led about the benefits of his solar panels and batteries. But what I need to decide first is whether he has any recourse to HSBC for this.

Section 75

The general effect of Section 75 makes the provider of any credit jointly and severally liable where there is a case of misrepresentation or breach of contract by the supplier of goods or services financed by the credit, provided certain conditions are met.

One of the conditions is that there is a direct relationship between the debtor, the creditor and the supplier. This is sometimes referred to as a debtor-creditor-supplier (D-C-S) agreement, and the formal wording is set out in Section 12 of the Consumer Credit Act 1974. A D-C-S agreement refers to the arrangements that need to exist between the relevant parties in order to be able to make a Section 75 claim.

So, for Mr C to complain under s75 of the CCA, he would need to be able to show that he paid by credit, arranged by the supplier of his panels or batteries. Mr C has confirmed he paid by cheque for the solar panels, so there is no DCS link there. And he has no evidence to show that he used credit to pay for his batteries. So, I can't ask HSBC to do anything further about Mr C's claim under the CCA.

Other Options

For completeness I've also considered if there were any other avenues HSBC could have used to help Mr C get his money back. There are other processes that can help a consumer reclaim their money if they feel their goods have been mis-represented. However, a payment by cheque is not covered by any of these arrangements. And in any event, Mr C would be out of time for any such action even if he had used different payment methods. So, whilst I sympathise with Mr C, I cannot fairly ask HSBC to do anything further in this instance.

My final decision

For the reasons given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 December 2023.

Sarah Holmes
Ombudsman