

The complaint

Mr S is unhappy with the response from Tesco Personal Finance PLC (Tesco) following a complaint he made.

What happened

In 2015 Mr S 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. He also said he was told he would receive a warranty from the installer.

In October 2022, Mr S contacted Tesco's, as he felt he had been mis-led about the benefits of the panels, the installer was no longer trading so his system did not have any warranty, and he felt pressured to complete the contract at the time of the sale. Tesco issued a final response saying that as Mr S had paid for the solar system using funds from a personal loan, it had no liability for the purchases he had made or the actions of the installer.

As Mr S remained unhappy, he asked this service to review his complaint. Our investigator explained that he didn't think he could ask Tesco to do anything further. The way Mr S had paid, meant there was nothing he could ask Tesco's to do.

As Mr S 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 S feels that he was mis-led about the benefits of his solar panels. But what I need to decide first is whether he has any recourse to Tesco for this.

Mr S feels that Tesco should take responsibility for the misrepresentations and other actions made by the installer at the point of sale. So, I've considered if Mr S has a valid complaint under Section 75 of the Consumer Credit Act 1974 ("the CCA").

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) relationship, and the formal wording is set out in Section 12 of the Consumer Credit Act 1974. A D-C-S relationship 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 S to complain under s75 of the CCA, he would need to be able to show that he paid by credit, either arranged by the supplier of his panels or via a credit card. Mr S paid for his panels using a personal loan, so there is no DCS link there. So, I can't ask Tesco to do anything further about Mr S's claim under the CCA.

Other Options

For completeness I've also considered if there were any other avenues Tesco's could have used to help Mr S 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, payment via funds from a personal loan, is not covered by any of these arrangements. And in any event, Mr S would be out of time for any such action even if he had used different payment methods. So, whilst I sympathise with Mr S I cannot fairly ask Tesco 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 S to accept or reject my decision before 2 February 2024.

Sarah Holmes
Ombudsman