

The complaint

Mr H complains that Shawbrook Bank Limited ("Shawbrook"), has rejected the claim he made under section 75 and of the Consumer Credit Act 1974 ("the Act") in relation to a solar panel system with a voltage optimiser and heating control unit ("the system").

What happened

In 2018, Mr H bought the system from a supplier (which I'll call "P") using a fixed sum loan agreement with Shawbrook Bank Limited, which was repayable over ten years.

In 2022, Mr H engaged a claims management company ("the CMC"), which sent Shawbrook a letter of claim alleging that P had misrepresented the system or breached its contract with Mr H because:

- Mr H had been promised the system would produce benefits estimated at £701.80 in year one.
- Mr H had received much less benefit than this.
- If Mr H had understood how little benefit he would receive he wouldn't have agreed to the purchase.

Shawbrook rejected the claim. It said that P clearly explained the estimated benefits of the system and there had been no misrepresentation or breach of contract.

Mr H didn't accept this, so made a complaint about Shawbrook's decision. Shawbrook rejected the complaint, so Mr H asked the Financial Ombudsman Service to look into what had happened.

Our investigator didn't recommend the complaint be upheld. Mr H remained unhappy, so I've been asked to make a decision. I issued a provisional decision explaining why I was not planning to uphold this complaint. Neither Shawbrook nor Mr H has responded by the deadline, 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.

Relevant considerations

The CMC has made the claim under section 75 of the Act. So, I have considered this section in particular, as well as other relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I have read all of the CMC's and Shawbrook's submissions and taken all of these into

account when making my decision.

The quote

I'm satisfied that the quote was provided to Mr H during the sales meeting. It was signed by him at that time and the CMC has provided a copy of it to us. So, I think the quote provides important evidence of what was likely discussed before Mr H agreed to the purchase. So, I've thought about this alongside what Mr H's recollections.

I think the quote is clear in that the benefits of the system will be obtained through:

- Feed-In Tariff ("FIT") payments for electricity generated by the solar panels and electricity exported to the grid.
- Electricity savings from:
 - Using electricity generated by the solar panels, which means less electricity would be purchased from Mr H's electricity supplier.
 - Electricity savings due to the voltage optimiser.
 - Gas savings due to the heating control unit.

The quote provided estimates of the benefits that Mr H could receive. I think it is clear that these were estimates given they are generally described as such in the quote (for example there is a prominent table entitled "Estimated performance over 25 years") and the CMC has described them as estimates in the letter of claim. So, I think Mr H ought to have understood that.

There is nothing in the quote to indicate the estimated benefits were guaranteed beyond the first-year FIT income. And I think it is unlikely that the sales representative would've represented the estimated benefits as being guaranteed.

It seems more likely that Mr H would've been told the benefits of the system over time would exceed what he paid for it – since that is likely to be the case.

Mr H no longer benefits from the system

I understand that Mr H no longer lives at the property and does not benefit from any savings the system generates. But he has confirmed that was unexpected and was not anticipated at the time of the sale. While unfortunate for Mr H, it is not something that has any bearing on my decision.

Were the estimated benefits in the quote a misrepresentation

I understand that P's methods of estimating benefits were checked by an industry body. So, it appears that the estimates were likely in line with good industry practice at the time. I have also looked at the assumptions used to calculate the estimates and I do not think they were unreasonable.

In terms of the FIT benefits, I can see that in the first year the quote estimated that Mr H would receive income of £165.43. The FIT statements provided show that the system generated significantly more electricity than expected in the first year, and Mr H received around £300 income from the FIT scheme in that time – significantly more than estimated in the quote. So, in terms of FIT income it seems clear that Mr H received more than expected

and there was no misrepresentation in terms of what FIT income he could receive.

In terms of savings, I think this is more difficult to estimate. This is because the savings will depend on how electricity is used in the home. That is beyond P's control. But the estimates appear to be based on reasonable assumptions. So, even if the savings realised were less than estimated, I would not consider that to be a misrepresentation. Nor would I think it was a breach of contract given the estimated savings were estimates and were not guaranteed.

Summary

Overall, I am not persuaded that there was a misrepresentation or breach of contract on the part of P such that Shawbrook should not have rejected Mr H's claim. So, I don't think Shawbrook has done anything wrong by rejecting the 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 Mr H to accept or reject my decision before 12 January 2024.

Phillip Lai-Fang
Ombudsman