

The complaint

Mr T complains that Allium Money Limited rejected a claim he made under sections 75 and 140 of the Consumer Credit Act 1974 ("the Act").

What happened

Mr T purchased a solar panel and battery system ("the system") from a supplier in 2020. He paid for it using a loan from Allium.

In 2022, a claims management company ("the CMC") made a claim to Allium on Mr T's behalf. This alleged that Mr T purchased the system because he was told by the supplier that the benefits (through income and savings) from the system would be sufficient to pay off the loan within 5-7 years, but that was untrue. And this misrepresentation induced him into purchasing the system when he otherwise wouldn't have done so. The CMC also alleged that Allium's relationship with Mr T was unfair on him.

Allium rejected the claim. It said there was insufficient evidence of a misrepresentation on the part of the supplier and that Allium's relationship with Mr T was not unfair on him.

Unhappy with this, Mr T made a complaint, which he referred to the Financial Ombudsman Service. Our investigator initially didn't think the complaint should be upheld but changed his mind after Mr T provided some more information.

Allium disagreed, so I was asked to make a decision. I issued a provisional decision explaining I was not planning to uphold this complaint. Allium responded to say it had no further points for me to consider. Mr T did not respond 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.

Mr T has made the claim under sections 75 and 140 of the Act. So, I have considered these sections 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 submissions and taken all of these into account when making my decision. Having done so, I've decided not to uphold this complaint.

Mr T received a quote from the supplier on 27 November 2020. This included a page showing the first-year benefit of the system, which was as follows:

- Using electricity as it was generated £218.66
- Using generated electricity stored in the battery £131.20

- Smart Export Guarantee (“SEG”) income £85.90
- Total year one benefit £435.76

It is clear from the quote that these are estimates and that these benefits were not guaranteed. The estimated benefits do not appear to be unreasonable.

There was also a table showing the annual benefit next to the annual outlay (the outlay being approximately equal to the annual loan repayment). This gave a net position annually and monthly for each year over 30 years. It is clear from this that the expected outlay exceeded the benefit throughout the period of the loan agreement – the net position each year only being positive after the loan was repaid.

However, this did indicate that the benefits of having the system over 30 years were estimated to be £35,889.56, with the net position being that Mr T would be £16,103.18 better off after 30 years than if he didn’t have the system installed. So, I think it is likely that Mr T would’ve been told the system would pay for itself over its lifetime.

Mr T had this information four days before he signed the loan agreement, which he did on 1 December 2020. The monthly loan repayments equated to £1,737.72 per year, slightly less than the annual outlay shown on the quote. But still significantly more than the estimated annual benefit shown on the quote during the period he would be making repayments.

I think it is likely that Mr T agreed to the purchase largely on the basis of this quote alongside what he was told verbally by the supplier. However, while Mr T recalls being told the system would pay for itself within seven years, this is clearly contradicted by what is shown on the quote. And I think it is unlikely that the supplier would’ve said the system would be self-funding in the way that has been alleged, while providing a quote that clearly showed that would not happen.

I have also thought about what happened after 1 December 2020:

- Mr T had further discussions about the system, including telling the supplier that he wanted to cancel the purchase on 6 December 2020 before changing his mind and proceeding.
- Mr T received a further quote dated 8 December 2020, which only showed benefits from using generated electricity (including from the battery), estimated to be a saving of £372.39 in the first year – still much less than the annual loan repayments.
- Mr T contacted the supplier for help resolving an issue he had with the battery in early 2021.
- Mr T took no action about the alleged misrepresentation until contacting Allium in October 2022. He does not appear to have raised the issue with the supplier directly.

Overall, thinking about all of the evidence, I am not persuaded that Mr T’s recollection of what he was told is plausible and persuasive enough for me to uphold this complaint.

The CMC has told us that Mr T was not taken through the sales documents in any detail. But he had plenty of time to go through these himself. Four days in the case of the initial quote, and further time during the 14-day cancellation period for that and the other documents.

I can see from Mr T’s messages to the supplier that he appears to have read through the sales documents quite carefully, given he was able to message the supplier to highlight a

term in the contract which he felt had not been fulfilled.

I acknowledge that the supplier had a discussion with Mr T after he said he wanted to cancel the purchase. And that whatever was said allayed his fears and persuaded him to proceed. But I am not persuaded that there is sufficient evidence that the alleged misrepresentation took place, at that or at any time during the sale process.

I have also thought about whether a court is likely to conclude the relationship between Mr T and Allium was unfair on him. But I am not persuaded that a court would make such a finding.

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 T to accept or reject my decision before 12 February 2024.

Phillip Lai-Fang
Ombudsman