

The complaint

Mr I complains Allium Money Limited (Allium) hasn't fairly considered his claim under section 75 of The Consumer Credit Act 1974 in relation to his purchase of a solar panel system.

What happened

In May 2021, Mr I entered into an agreement for the supply and installation of a solar panel system ('the system') from a company who I will refer to as W. The system cost over £9,500, he paid a £200 deposit and the remainder was funded by a 24 month loan with Allium. The monthly instalments were £397.

Within a few weeks of installation, Mr I reported to W the system wasn't working as it should. He was also concerned about its installation as wires were exposed, stating when it rained it caused the system to stop working. According to Mr I, W arranged for a number of repairs to be carried out but the faults persisted. W suspected it was a software issue.

Without a resolution achieved with W, Mr I complained to an alternative dispute resolution company, who I will refer to as H. They intended to mediate matters. In August 2021, H inspected the system and found faults with the CT clamp and connection. They arranged for the relevant repair to be carried out and afterwards said it was working as it should. Despite this, Mr I reported ongoing issues including a fault with the battery.

Mr I requested the removal of the system, the return of the monthly payments and compensation for the trouble and upset caused including taking time off work and the increased cost of electricity bills.

In response to the complaint and the section 75 claim, Allium said the repairs had been carried out by H so he should return to them or W. They also commented the issue may be related to the monitoring system application which wasn't a part of the original agreement. Unhappy with their response, he referred the complaint to our service.

Mr I arranged for an independent inspection in December 2022. The report concluded there was a fault with the inverter which needed to be replaced. A further inspection was arranged in February 2023. That report concluded the voltage and resistance levels were fine but the system was working intermittently and it was likely there was a fault with the inverter. It also recommended the inverter needed to be replaced. Mr I reiterated he didn't want any further repairs and wanted the system removed.

The investigator recommended the complaint was upheld. She concluded the system wasn't of satisfactory quality and given the number of repair attempts, Mr I should now be able to reject the goods. She said Allium must do a number of things to put things right such as

refund the cost of the monthly instalments, refund the cost of the inspection report as arranged by Mr I, pay for the removal of the system, etc.

Mr I agreed with the investigator's overall findings but he believed he should receive more compensation given what had happened and for the overall level of service he received from Allium and W. He also commented due to the faulty system his electricity bills had increased which he believed he should be compensated for.

Allium disagreed. They maintained their stance and said had Mr I agreed to engage with W, a resolution would've been reached. They said the inverter could be replaced under warranty which W were willing to arrange. They considered the investigator's opinion to be disproportionate and unjustified.

As an agreement couldn't be reached, the complaint has been referred to me to decide.

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.

Having done so, I've decided to uphold Mr I's complaint. I'll explain why.

In certain circumstances, section 75 gives a consumer a right to claim against a supplier of goods (W) or the provider of credit (Allium) if there's been a breach of contract or a misrepresentation. In this case, I'm satisfied the requirement for a debtor-creditor-supplier agreement is present so I find Mr I was able to make a section 75 claim. Allium may argue the involvement of H breaks this three way agreement but I disagree. I'm satisfied H acted solely in the attempt to mediate and resolve matters informally and their involvement doesn't negate Allium's duty to fairly consider a section 75 claim as a regulated financial business. I must stress in order to uphold Mr I's complaint, I would need to be satisfied that there's been a breach of contract or a misrepresentation and that Allium's response to the section 75 claim wasn't fair nor reasonable.

In this case, the relevant law that applies is The Consumer Rights Act 2015 (CRA). It implies a term that the goods supplied should be of satisfactory quality. This is taken to mean the standard that a reasonable person would consider satisfactory, taking account of the description, the price paid, the state, condition, fitness for purpose and durability. There is also an implied term that the service delivered must be carried out with reasonable care and skill. That is, the standard one would expect of a reasonably competent person in that trade or profession. The CRA also sets out what remedies are available to consumers if statutory rights under a contract to supply goods or services aren't met.

From my understanding, shortly after installation Mr I reported issues with the system and W sent engineers on more than one occasion to rectify it. Exactly what was found or the repairs carried out is unclear but it appears W accepted there were issues with the system which needed fixing, hence the multiple engineer visits. I don't believe a reasonable person would expect to experience such issues so soon after the system was installed. On balance, I'm

not persuaded the system was of satisfactory quality meaning there was a breach of contract.

Where this happens, the CRA allows Mr I to ask for a repeat performance to put the problems right which is what happened here. A number of repairs were carried out by W and a further repair in August 2021 as arranged by H. Despite this, Mr I reported faults remained.

In this case, there have been three separate independent inspections, that is August 2021, December 2022 and February 2023. I've carefully considered them and they all report faults whether it be the CT clamp, connections or the inverter. I find this supports my belief the system wasn't of satisfactory quality and despite the repairs, faults remain.

Mr I says he has lost confidence in the entire system and he doesn't want a further repair. Given what has happened thus far, I can understand why he feels that way especially as it's not clear another repair would work. Given the overall circumstances, I find it's fair and reasonable that Mr I should be able to reject the system and receive a full refund.

That means Allium should end the agreement and arrange or cover the cost of the system's removal and disposal. They should also cover the costs for any reasonable remedial work required as a result of the installation (this should be supported by sufficient evidence by Mr I). Should the cost of any remedial work be over £500, Mr I must contact Allium to discuss the same, this may mean he's required to obtain quotes for this work to be carried out. Allium must also reimburse the cost of the inspection report arranged by Mr I in December 2022.

Allium should refund all the monthly instalments paid by Mr I including the deposit amount as I'm not persuaded he had sufficient use of the system. I've taken into account Mr I's comments about his increased energy consumption costs but as I'm awarding the full refund of the monthly instalments, I don't consider a further award is warranted. I'm satisfied this puts him back close to the position he would've been in had he not purchased the system.

I wish to stress Allium is jointly liable for a breach of contract or misrepresentation by the supplier (W). However when Mr I contacted them, as he couldn't reach a resolution with W, Allium insisted he return to W or H. I believe they should've taken ownership of the section 75 claim and made sure the matter was investigated properly. As they didn't, I believe their actions delayed matters and caused inconvenience to Mr I as he was left with a faulty system for quite some time. This includes the extent of his correspondence with them to resolve the issue, having to arrange further inspections and taking time off work to do so. For this, I believe Allium should also pay £200 compensation to Mr I for the trouble and upset caused.

Overall, I'm not satisfied Allium fairly considered the section 75 claim. Instead they redirected him to W and H. For me, the evidence was clear the system had a number of faults despite the numerous repair attempts. Had Allium fairly considered the section 75 claim, it's likely they would've agreed to Mr I rejecting the goods sooner.

My final decision

For the reasons set out above, I've decided to uphold Mr I's complaint.

To put things right, Allium Money Limited must:

- End the agreement with nothing further for Mr I to pay;
- To arrange/cover the cost to remove and dispose of the solar panel system and cover the cost of any reasonable remedial work that is required to fix Mr I's property as a result of the installation (see above for more detail);
- Refund all the payments Mr I has made towards the agreement including the deposit*,
- Refund the cost of the inspection report as arranged by Mr I*
- Remove any adverse information about this agreement from Mr I's credit file;
- Pay £200 to Mr I for the trouble and upset caused.

* Allium Money Limited should also pay 8% simple interest per year on all the above refunds calculated from the date of payment up to the date of settlement.

If Allium Money Limited considers tax should be deducted from the interest part of my award it should provide Mr I with a certificate showing how much it has taken off, so he can reclaim that amount if he is entitled to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 7 August 2023.

Simona Reese
Ombudsman