

## **The complaint**

Mr S has complained Klarna Bank AB (publ) is holding him liable for a credit agreement when the item he originally ordered was never delivered.

## **What happened**

Mr S ordered an expensive drone, which he intended to pay for over a period of a year. He took out a fixed-sum loan agreement with Klarna Bank for £4,099.

The drone was delivered in July 2022. But Mr S believed the wrong item had been delivered. He contacted the supplier (who I'll call J). They told him the best thing would be to return the unwanted drone to their store. He did this. He then received correspondence from J. After investigation, they believed the item Mr S had ordered had been sent and delivered to him. They'd been in touch with their supplier. They confirmed the serial number on the drone, Mr S said he received, was not even a product they'd supplied on J's behalf.

Klarna Bank continued to hold Mr S liable for the outstanding finance as they believed he had the item he ordered. Unhappy with this, Mr S brought his complaint to the ombudsman service.

Our investigator considered the evidence supplied by both Klarna Bank and Mr S. He told Mr S that the evidence showed his item being correctly packaged. Overall he felt it was most likely Mr S had received the correct item.

Mr S continued to believe otherwise. He noted there was no date and time for the photos supplied by J showing his item being prepared for delivery. He'd also questioned the item being sent to an address that wasn't registered as the billing address.

He's asked an ombudsman to consider her complaint.

## **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 reached the same outcome as our investigator. I'll explain why.

Where evidence is incomplete, inconclusive or contradictory, I reach my decision about the merits of this complaint on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

I also take account of law and regulations, regulators' rules, guidance and standards, and codes of practice and good industry practice, when I make my decision.

Section 75 of the Consumer Credit Act 1974 means that, in certain circumstances, if Mr S paid for goods or services using certain types of credit (even in part), and there was a breach of contract or misrepresentation by J of those goods or services, Klarna Bank can

also be held responsible. There are other conditions which need to be met but nothing specific which applies in Mr S's case.

The key aspect of Mr S's complaint is that he didn't receive the drone he ordered. This would be a breach of contract under section 75 if this were the case.

I note the evidence Mr S supplied to us showing how the packaging wasn't correct for the item he ordered. And I've weighed this against the evidence supplied by J. This shows the correct item being packaged in relation to a tracked order. I don't have all the detail about the time and dates this order was completed, but I see no reason why it wouldn't be Mr S's original order as all other aspects match.

I have also seen there is a discrepancy between the item and serial number Ms S returned to J and the item (and serial number) J in fact supplied. Again I see no reason to doubt J's evidence the serial number supposedly belonging to the item Mr S returned was not one that belonged to an item they sold.

It's unfortunate that J insists the item Mr S returned to them isn't something they sell because the evidence clearly indicates otherwise I can tell by reviewing their website.

I obviously can't say for sure what happened to the drone, but I think it's more than likely the correct drone was packaged and received by Mr S.

I don't believe there was a breach of contract under section 75 and therefore Mr S remains liable for the credit he took out with Klarna Bank.

### **My final decision**

For the reasons given, my final decision is not to uphold Mr S's complaint against Klarna Bank AB (publ).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 September 2023.

Sandra Quinn  
**Ombudsman**