

The complaint

Mr B complains that John Lewis Financial Services Limited won't reimburse him for the losses that he's claimed as a result of a failed repair of his car.

What happened

The details of this complaint are well known to both parties and have been set out by the investigator - so I won't repeat them again here. Instead, I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Mr B used his John Lewis Finance credit card to pay £949.74 for some repairs to his car in November 2018 but the repairs weren't completed correctly and the car broke-down in January 2019 with significant engine damage;
- he contacted John Lewis Finance and it made a successful chargeback claim for the money that he'd paid for the repairs but Mr B also claimed consequential losses totalling £3,858.60 for hire car costs, tax and additional insurance for a replacement car, his time, three months additional theoretical depreciation on the replacement car and inspection costs;
- John Lewis Finance offered to pay him £454.86 (£177.86 for his hire car costs and £277 for the inspection costs) and credited his account with £140 for its delay in dealing with his claim – but Mr B didn't accept that offer and complained to this service;
- our investigator said that Mr B's car was out of use as a direct result of a breach of contract and so the insurance and road tax that he paid for that car for the five months that it was being repaired should be considered a direct loss – so he recommended that John Lewis Finance should reimburse £394.87 to Mr B (with interest) for those costs;
- John Lewis Finance accepted the investigator's recommendation but Mr B has asked for his complaint to be considered by an ombudsman;
- in certain circumstances, section 75 of the Consumer Credit Act 1974 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier;
- to be able to uphold Mr B's complaint about John Lewis Finance, I must be satisfied that there's been a breach of contract or misrepresentation by the supplier and that John Lewis Finance's response to his claim under section 75 wasn't fair or

reasonable - I'm not determining the outcome of Mr B's claim under section 75 as only a court would be able to do that;

- John Lewis Finance has now agreed to pay a total of £849.73 to Mr B to reimburse him for his car hire costs, the cost of the inspection report and the tax and insurance costs for his car and it's also paid him £140 compensation for its delay in dealing with his complaint;
- I consider that to be fair and reasonable in the circumstances and I'm not persuaded that it would be fair or reasonable for me to require it to also pay Mr B for the £2,000 that he's claimed for depreciation on a replacement car or the £1,500 that he's claimed for his time; and
- I don't consider that the additional theoretical depreciation on the replacement car and the compensation for the time that Mr B has claimed are direct consequential losses arising from the breach of contract or that there's enough evidence to show that any such compensation is justified in these circumstances - so I consider that John Lewis Finance's response not to pay those amounts to Mr B was fair and reasonable.

Putting things right

I find that it would be fair and reasonable for John Lewis Finance to pay £849.73 to Mr B to reimburse him for the car hire costs, the cost of the inspection report and the tax and insurance costs that he's incurred (all as described above) and that it should pay interest on each part of that payment from the date that each of the costs was incurred. I don't consider that it would be fair or reasonable for me to require it to make any other payments to Mr B in these circumstances.

My final decision

My decision is that I uphold Mr B's complaint in part and I order John Lewis Financial Services Limited to:

1. Pay £849.73 to Mr B to reimburse him for the costs that he's incurred.
2. Pay interest on each part of that payment at an annual rate of 8% simple from the date of each payment to the date of settlement.

HM Revenue & Customs requires John Lewis Finance to deduct tax from the interest payment referred to above. John Lewis Finance must give Mr B a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 October 2020.

Jarrold Hastings
Ombudsman