

The complaint

Miss C complains about the interest that she's being charged under a fixed sum loan agreement with Shawbrook Bank Limited and about the service that she's received. She's being helped with her complaint by her representative.

What happened

Miss C entered into a fixed sum loan agreement with Shawbrook Bank that she signed in March 2019 to pay for some replacement windows. She agreed in May 2019 that the windows had been installed to her satisfaction and that Shawbrook Bank should release the amount of the loan to the supplier - it then sent her a welcome letter which confirmed that her direct debit loan repayments would be starting.

Miss C complained to Shawbrook Bank in May 2020 because she understood that the loan was going to be interest free for three years and that she hadn't agreed to a 120 month term. It didn't agree that Miss C had been mis-informed about the loan or that it had been mis-sold to her. Miss C wasn't satisfied with its response so complained to this service.

Our investigator didn't recommend that her complaint should be upheld. He didn't agree that Shawbrook Bank had misled Miss C or that the loan agreement gave any inaccurate information about the way that interest was due from the start. He didn't think that there was evidence to say that Shawbrook Bank had mis-sold the loan to her.

Miss C's representative, on her behalf, has asked for this complaint to be considered by an ombudsman. He says that the supplier's sales practices are dubious and that Shawbrook Bank should take responsibility for its decision to "partner" with such suppliers and that it's not acceptable to just say that the supplier has gone out of business.

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:

- Miss C agreed with the supplier for it to supply and install some replacement windows and she agreed to pay for those windows using a fixed sum loan agreement with Shawbrook Bank;
- she signed the loan agreement in March 2019 and immediately above her signature it says: *"This is a Credit Agreement regulated by the Consumer Credit Act 1974. Sign it only if you want to be legally bound by its terms"*;
- the loan agreement clearly sets out the terms of the loan – the cash price of the windows (and the amount of the loan) was £4,250 which Miss C agreed to repay by 120 monthly repayments of £77.40 and it said: *"First repayment to be made 1 month after the advance date"*;

- the windows were installed and Miss C signed a letter in May 2019 in which she confirmed that the windows had: “... *been substantially fitted to [her] satisfaction* ...”; and that she authorised Shawbrook Bank to release the amount of the credit to the supplier;
- Shawbrook Bank sent her a welcome letter the next day which said: “*Your first monthly Direct Debit payment is £77.40 and will be due on [specified date in June 2019]. Subsequent payments will be due on the same date every month. ... If any of the above details are incorrect or if you have any queries please contact us as soon as possible using the contact details below*”;
- the monthly payments were made by Miss C to Shawbrook Bank by direct debit and I’ve seen no evidence to show that she contacted it about her issues with the loan until May 2020;
- the supplier has stopped trading but I’ve seen no evidence other than what Miss C says to show that the supplier had agreed that the loan would be interest free for three years - Miss C had signed the loan agreement which clearly said that repayments would start one month after the advance date (and she confirmed that the advance date was in May 2019);
- the loan agreement clearly set out that the duration of the loan was 120 months and that Miss C was required to make 120 monthly loan repayments;
- if Miss C was expecting the loan to be interest free for three years, I consider that it would be reasonable to expect her to have contacted Shawbrook Bank soon after she received its welcome letter or soon after the direct debits started – but I’ve seen no evidence to show that she did so;
- Miss C’s representative is clearly concerned about the sale practices used by the supplier but the windows were supplied to Miss C as agreed, she confirmed her satisfaction with them and I’m not persuaded that there’s enough evidence to show that the windows or the loan agreement were mis-sold or misrepresented to Miss C or that there’s been a breach of contract by the supplier;
- nor am I persuaded that there’s enough evidence to show that Shawbrook Bank has acted incorrectly in its dealings with Miss C about the loan; and
- I find that it wouldn’t be fair or reasonable in these circumstances for me to require Shawbrook Bank to change any of the terms of the loan agreement, to pay any compensation to Miss C or to take any other action in response to her complaint.

My final decision

My decision is that I don’t uphold Miss C’s complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 24 May 2021.

Jarrold Hastings

Ombudsman