

## **The complaint**

Ms C complains that a new boiler was not properly installed. Because she paid for the boiler and its installation with finance provided by Hitachi Capital (UK) Plc, she says that it is jointly liable with the supplier and installer to put things right.

## **What happened**

In December 2019 Ms C arranged for a new boiler to be installed in her home. She engaged the services of a company, which I'll call G, to supply the boiler and necessary fittings and to carry out the work. She was to pay for the work with a loan provided by Hitachi Capital under arrangements it had with G.

There were a number of problems with the quality of the work. For the most part, that is not in dispute, so I do not need to set out in detail what those problems were. They included leaking radiators, incorrect electrical installation and a failure properly to flush Ms C's existing central heating system.

Soon after the installation was completed, G went out of business. Ms C contacted Hitachi Capital, as the finance provider, about the work. As G was no longer trading, Hitachi Capital instructed a different business, R, to inspect the work that had been carried out. A number of rectifications were recommended, which Hitachi Capital instructed R to carry out. It also arranged for a payment to Ms C to cover the cost of some redecoration and cleaning which was needed as a result of leaks and damage caused by the original work.

During the course of the remedial work, R identified some damage to Ms C's water tank. This was, it said, part of the existing system, rather than a component that G had replaced. Nevertheless, Hitachi Capital instructed R to replace it as a gesture of goodwill. In the course of that work, however, there was a further leak which caused some damage to Ms C's ceiling. R said it had discovered a leak in the tank, but it was not clear whether that had been caused by G or was the result of a worn seal on the water tank. Hitachi Capital said that in the circumstances it did not believe it was liable to make good the water damage to the ceiling.

One of our investigators considered that issue. He did not however consider that it would be fair to require Hitachi Capital to make good the damage to the ceiling. His reasoning was, in summary, that Ms C had received a replacement water tank, even though that had not been included in the overall work specification provided by G. It had been provided and installed as a gesture of goodwill; the overall benefit to Ms C was greater than the cost of making good the damage to the ceiling.

Ms C did not accept the investigator's conclusions and asked that an ombudsman review the case.

## **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.

As I've explained, G's work was funded by finance provided by Hitachi Capital and arranged by G. The effect of that is that, if Ms C has a claim for breach of contract against G, she has a like claim against Hitachi Capital. There is no dispute that she had such a claim. Hitachi Capital sought to address that claim by ensuring that Ms C was put in the position she would have been in if the contract had been performed – that is, by arranging for remedial work to be carried out and compensating Ms C for damage caused by G.

The investigator considered however that it would not be fair to require Hitachi Capital to make good or compensate Ms C for the ceiling damage, because she had received a replacement water tank – which was more than G had agreed to supply. The value of the tank and the cost of its installation were greater than the cost of repairs to the ceiling. I think that was a fair conclusion for him to reach in the circumstances.

There is however a further issue here. I can only make an award against Hitachi Capital in respect of its activity in providing credit to Ms C, or activities ancillary to that. In respect of the quality of the installation work, I take the view that that means work funded by the finance agreement. But the replacement of the water tank was not part of the work carried out by G, and neither was it intended to be. It was carried out by R as an additional gesture of goodwill on the instructions of Hitachi Capital. Put another way, I do not believe that the need to replace the tank was due to a breach of contract on the part of G.

It may be that Ms C could bring a claim in respect of the tank against R (or indeed against Hitachi Capital as the party that instructed R), but I do not believe that it is a matter in respect of which I can make an award. It is not sufficiently closely linked to the provision of credit. But, even if I were to take a different view on that, I would not make an award, for the same reasons as the investigator.

### **My final decision**

For these reasons, my final decision is that I do not require Hitachi Capital (UK) Plc to take any further steps to resolve Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 3 August 2021.

Mike Ingram  
**Ombudsman**