

## **The complaint**

Miss A is unhappy about the way Tesco Personal Finance PLC handled her claim under section 75 of the Consumer Credit Act 1974.

## **What happened**

Miss A ordered a new kitchen to be supplied and fitted and paid using her Tesco credit card. The purchase price was £8600.46. Miss A paid £2000 on her Tesco card.

Miss A was unhappy with the quality and fitting of the kitchen. She complained to the supplier but was unable to resolve matters, and it subsequently ceased trading.

Miss A raised a claim under section 75 with Tesco. In support of her claim, she provided an independent inspection report which stated that the kitchen hadn't been fitted to a reasonable standard. The author of the independent report also provided a quote for remedial works which totalled £9,200.

Tesco advised Miss A that it wanted to speak to the author of the report before it made any payment.

Miss A wasn't happy with Tesco's response and complained to this service.

Our investigator upheld the complaint. He said he didn't think Tesco had acted fairly by placing the section 75 claim on hold until it had made contact with the author of the inspection report. The investigator said it wasn't reasonable for this issue alone to stop the claim from being accepted. The investigator said that Tesco should pay its percentage proportion of the costs of remedial works and pay compensation for the distress and inconvenience caused by the handling of the claim.

Tesco didn't agree. It said it had been unable to verify with the author of the inspection report that the quote was a true reflection of the work needed. Tesco expressed concern that the author of the report was uncontactable. It also disagreed that further compensation should be paid because it said it had handled the claim fairly.

## **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.

In certain circumstances, section 75 gives a consumer a right to claim against a supplier of goods or the provider of credit if there's been a breach of contract or a misrepresentation. In order to uphold Miss A's complaint, I would need to be satisfied that there's been a breach of contract and that Tesco's response to the claim wasn't fair or reasonable.

The relevant law says that goods must be of satisfactory quality and fit for purpose at the point of supply. It also says that services must be supplied with reasonable care and skill. If this isn't the case, then a breach of contract can be said to have occurred.

I've looked at the available evidence including the inspection report and the quotation for remedial works. I've also reviewed the photos provided by Miss A.

In order to find that there's been a breach of contract, I'd need to be satisfied that the kitchen is faulty or that the installation hadn't been carried out with reasonable care and skill.

The independent report states that the kitchen is poorly fitted. It lists several defects in the installation relating to the worktops and the cabinets. It states that most of the kitchen will need to be removed and replaced, and that walls will need replastering due to the poor fitting of the worktops and upstands.

Based on what I've seen, I'm satisfied that the evidence supports a finding that there's been a breach of contract, because the kitchen hasn't been installed with reasonable care and skill. This means Tesco is responsible under section 75.

Tesco has said that it wants to speak to the author of the inspection report to verify the quote and the schedule of works. It says that once it has done this, it will pay the section 75 claim. Tesco has said that so far, it has tried to contact the author of the report by phone and email without success. It has said that the telephone number provided is unobtainable, which it finds concerning.

I've looked at the report and the quote and I haven't seen anything to suggest that the documents aren't authentic. I searched for the business of the author of the report on social media and found a page for the business with very recent reviews and full contact details. I'm satisfied of the existence of the author of the report. I'm also of the view that Tesco could've obtained contact detail in this way and could've made further efforts to contact the author of the report. My understanding is that Tesco hasn't made any attempts to contact the author of the report since February 2021, which I think is unreasonable given that Tesco placed the section 75 claim on hold for this very reason.

Taking everything into account, I'm satisfied that there's been a breach of contract. For the reasons I've explained above, I don't think Tesco has acted reasonable in placing the claim on hold.

### **Putting things right**

Miss A has described the impact of living with a poorly fitted kitchen. She's said that there are hazards which have caused her to worry about the safety of her young child. She's explained that she can't afford to have the remedial works carried out until Tesco settles the section 75 claim. I'm of the view that settlement of the claim has been prolonged unreasonably, so I think it's fair to ask Tesco to pay compensation for the distress and inconvenience caused to Miss A.

### **My final decision**

My final decision is that I uphold the complaint. Tesco Personal Finance PLC must:

Pay Miss A the percentage proportion of repair costs as per the quote

Pay 8% simple interest on this sum from the date of the section 75 claim to the date of settlement

Pay compensation of £275 for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept

or reject my decision before 19 July 2022.

Emma Davy  
**Ombudsman**