

The complaint

Mr S complains about the supply and installation of windows and doors which he paid for with a loan financed by Allium Money Limited.

What happened

In June 2019 Mr S bought some doors and windows for his home. Their cash price was £7,150, and his purchase was financed with a ten-year interest-bearing loan from Allium. In September of that year, the supplier began to install the doors and windows, but then the contractor ceased trading before completing the work. The installation was completed by another firm, which I will call X.

In April 2020 Mr S complained to Allium about a number of issues. He said:

- The wrong colour doors and windows had been supplied;
- A hinged door had been provided instead of the sliding door he had asked for;
- The installation had not been carried out with reasonable care and skill;
- Mr S had not received a promotional offer which the supplier had promised him as an incentive to buy its products;
- He had never signed the loan agreement, but it purported to have his signature on it.

He asked Allium for a full refund, plus £2,000 compensation.

The issues with the installation had come to light because Mr S had instructed another builder, who I will call Y, to build an extension to his home. As part of that work, Y had removed some brickwork and had thereby discovered some problems with how the windows and doors had been installed. Many screws did not go into the brickwork but were loose, and so the frames were mainly held in place by insulation foam. In some places there was no water-resistant rubber to prevent water ingress. Mr S has provided photos and a video to show this.

In May 2020, X agreed to carry out remedial work, and made appointments to attend Mr S's home, but these appointments all had to be cancelled by Mr S (for understandable reasons). In November 2020, Allium paid him £100 as a gesture of good will, but did not agree with any part of his complaint. In particular, it said there was no evidence that the installation had not been carried out properly, since X had not been able to inspect the premises.

Being dissatisfied with Allium's stance, Mr S brought this complaint to our service. He provided quotes from Y, which he said were for the cost of the remedial work which would be required to put right the doors and windows. He instructed Y to fix these issues at the same time as building his extension. Mr S told us he had already paid Y £7,000 in cash.

In September 2021 Allium, as a gesture of good will, waived the outstanding balance of the loan, which was £6,541.17, and closed Mr S's account. Shortly afterwards, our investigator upheld Mr S's complaint about the installation (but did not uphold the other complaint points). She recommended that Allium pay Mr S £458.83 (being the difference between the waived balance of £6,541.17 and the £7,000 he had paid Y), pay interest on this payment at eight percent a year, and also pay for any further work that still needed to be done. Since Allium

had objected to paying for Y to re-install the doors and windows, as it was concerned that it would also be funding Mr S's extension, the investigator recommended that Mr S obtain three quotes from different builders and let Allium choose which one to use. She also said that Allium should pay Mr S a further £250 for his inconvenience.

Mr S accepted that opinion; Allium did not. It expressed reservations about Y's credentials and about Y's quotes and invoices, which did not itemise the work, so it was not possible to readily distinguish between the cost of re-installing the doors and windows and the cost of building Mr S's extension. The £7,000 appeared to include work unrelated to the re-installation. Allium said that the bank statements Mr S had provided to show cash withdrawals adding up to £5,500 were not evidence that he had paid that amount (let alone £7,000) to Y. It argued that as the cash price of supplying the doors and windows as well as installing them had been £7,150, it was not plausible that the cost of re-installing the same doors and windows could really come to more than £7,000 just for labour.

Allium said that the evidence provided in support of Mr S's allegation that the original installation had not been carried out properly was dubious, and that Y did not appear to be qualified to comment on the state of the original work. Allium said that as Y had already been employed as Mr S's builder, Y was not an independent expert, and so Y's report ought not to be relied on. Y's evidence was further undermined by the fact that it had already removed the exterior brickwork before taking any photos and before filming the video; it was therefore not possible to tell whether the exposed screws had really not been attached to any brickwork as alleged. Allium added that the patio doors had been adjusted by X in November 2020 (after Allium had issued its final response).

The investigator did not change her mind about the outcome of this complaint or her proposed redress in principle. But she did acknowledge Allium's reservations about Y's quotes, which she agreed were not sufficiently particularised. She asked Mr S for Y's phone number so that she could speak to Y directly (since Y's phone number in its letterhead was not legible on the copies provided). Mr S replied the same day to say that he had fallen out with Y and was no longer using them.

The investigator referred this complaint for an ombudsman's decision. I wrote a provisional decision which read as follows.

What I've provisionally 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.

Since Mr S did not challenge the investigator's decision not to uphold the complaint issues other than the quality of the installation, I have mostly focused on the complaint about the installation. But for completeness, and in case I have mistaken Mr S's silence on the other issues for agreement, I will deal briefly with them first.

I have seen the contract for the supply and installation of the doors and windows. I am satisfied that the correct items were supplied. There is no evidence that Mr S ordered a sliding door, and so I am satisfied that that is the only reason why he was not supplied with one. He ordered white doors and windows (except for the front door, which was grey), and so that is why he was supplied with white ones. Grey ones were substituted at his request (I've seen the variation order), since the white ones did not comply with the local authority's planning rules. I'm satisfied that no error was made here.

I have seen no evidence of the promotional offer Mr S described, so there is no basis on which to uphold that complaint issue.

I have seen the loan agreement. It states that it has been “DocuSigned” by Mr S, which means that it was signed by him electronically. The e-signature has been presented in such a way as to resemble handwriting, which I suppose is why Mr S was misled by it, but that is only an aesthetic choice by the software provider and is nothing untoward. I don’t think Allium did anything wrong here. (Also, Mr S knew that he had taken out the loan, and he intentionally used the loan money to buy and install the doors and windows, so it doesn’t really matter whether he signed it or not anyway.)

I turn now to the installation. I think that some of Allium’s criticisms of the evidence provided about the quality of the work are valid. For example, the photos were taken after external brickwork had been removed, and Y was not an independent expert but already in Mr S’s employ. However, notwithstanding these issues, I think that some of the photos are still clear enough to show that at least some of the screws were never attached to anything, so I am satisfied that not all of the installation work was done properly. I am reinforced in that view by the fact that X had to adjust the patio doors. I will therefore uphold this complaint on this basis.

However, I disagree with the investigator about the proposed redress, for the following reasons.

Firstly, Y’s quote fails to adequately distinguish between the remedial work and the building of the extension. It does list items of work, most of which have been redacted as not being relevant to the doors and windows, but it still includes two irrelevant items: “Build brickwork to damp level” and “Build brickwork and block work.” That clearly relates to the extension work. Also, the items are not priced individually.

Secondly, Y’s invoices are all for work described as “excavation of ground for foundation and concrete poured.” That is irrelevant to the re-fitting of doors and windows, and is clearly a reference to the building of Mr S’s extension. Allium isn’t liable for that.

Thirdly, I share Allium’s scepticism about the price. As Y was only contracted to re-fit existing doors and windows, there is no reason for the price of that work to exceed the original cost of both supplying and installing them.

So I am quite satisfied that the £6,451 balance waived by Allium last year is sufficient to pay for the cost of re-fitting the doors and windows, and that Allium needs to do nothing more in that regard.

I agree with the investigator’s recommendation to pay a further £250 for Mr S’s inconvenience, in addition to the £100 Allium has already paid.

I am currently minded to uphold this complaint. Subject to any further representations I receive from the parties [before 26 April 2023], I intend to order Allium Money Limited to pay Mr S £250.

Responses to my provisional decision

Allium accepted my provisional decision. Mr S did not reply by the deadline. So there is no reason for me to depart from my provisional findings, and I confirm them here.

My final decision

My decision is that I uphold this complaint. I order Allium Money Limited to pay Mr S £250, in addition to the £100 it has paid him already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 May 2023.

Richard Wood
Ombudsman