

The complaint

Mr G complains that he was not given a £500 discount on a boiler sold by Free Green Energy Solutions Limited (FGES) and financed with a loan which it arranged.

What happened

In January 2020 Mr G agreed to buy a boiler system from FGES. An invoice dated 22 January 2020 records a price of £4,000, including VAT. Whilst the invoice does not expressly say so, it appears that price included installation of the boiler.

To pay for the boiler Mr G took out a loan from a bank, which I'll refer to as B. He signed a loan agreement on 20 January 2020. That agreement recorded that the cash price of the goods and services was £4,000 (all of which Mr G was borrowing) and that the loan was to be repaid by 119 monthly payments of £51.91 and a final payment of £50.63. The loan named FGES as the credit broker. The key points of the loan agreement, including the level of monthly payments which Mr G had to make, were confirmed in a letter from B of 22 January 2020.

Mr G says however that these documents did not reflect what was agreed with the salesman who had both sold the boiler and arranged the loan. He says he expected to receive a £500 cashback payment. That was advertised on a flyer produced by FGES as part of a scrappage scheme. He says too that he was told that the loan payments would be £48, not £51, a month. He has produced a text message from the salesman dated 22 January 2020 (the same date as the invoice) saying that he (the salesman) would cover the extra £3 a month.

FGES did not accept that it agreed to pay Mr G £500. It said that any payment under its scrappage scheme would be made by way of a discount on the overall price. As far as the monthly payment was concerned, the text message was a private arrangement between Mr G and the salesman and did not bind it or B.

Mr G referred the matter to this service, where it was considered by two of our investigators. The first agreed that the arrangement in respect of the monthly payments was a private one but thought that FGES had not shown the £500 offer had been applied. The second investigator recommended that FGES arrange for the loan payments to be reworked and for Mr G to be paid £500 plus interest and a further £100. FGES asked that an ombudsman review the case.

I did that and, because I did not agree with our investigators' views, issued a provisional decision. In summary, I said:

- I was able to consider a complaint about FGES in its capacity as credit broker. I was satisfied however that the price of the boiler was sufficiently closely linked to the amount borrowed that I could include that issue in my consideration of the complaint.
- I noted that there was no documentary evidence showing how the scrappage allowance would be paid. That was inconclusive.

- I observed that both the loan agreement and the sales invoice were formal legal documents. They were consistent with each other, and the loan agreement was a regulated agreement.
- Generally, a person is bound by their signature on a legal document, and I did not think there was any reason in this case to believe that Mr G agreed anything different.

In response to my provisional decision, Mr G reiterated that he had been told that £500 cashback would be paid into his account. He said too that he had been promised a visit, when the money would be paid, but the salesman did not attend as arranged. He also sent a copy of a message from FGES indicating that this service had completed its consideration of the complaint.

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.

I should first of all clarify that my provisional decision did not mark the end of the Financial Ombudsman Service's process – but this, my final decision, does.

As I indicated in my provisional decision, it was not clear why the salesman indicated that he would fund part of the monthly payments himself. I remain of the view, however, that any promise he may have made was not made on behalf of FGES or B and could not bind them.

I agree too that Mr G was entitled to a £500 discount. FGES says that was taken into account in the invoice and the loan amount. As I have said, the price of £4,000 was included in both those documents and I think it more likely than not that they reflected what had been agreed. That is, the price of £4,000 was the price after the discount. The alternative explanation – that the loan to Mr G, arranged by FGES, was for more than the price of the boiler – is extremely unlikely to have been what was agreed.

My final decision

For these reasons, my final decision is that I do not require Free Green Energy Solutions Limited to do anything more to resolve Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 March 2022.

Mike Ingram
Ombudsman