

The complaint

Ms G has complained that Shawbrook Bank Limited (“Shawbrook”) rejected her claim against it under section 75 of the Consumer Credit Act 1974 in relation to her purchase of some solar panels.

Background

Ms G bought solar panels for her home in or around June 2016. The purchase was funded by a loan from Shawbrook, and that business is therefore liable for the acts and omissions of the installer under the relevant legislation. In this case, that relates to the installer misleading Ms G into believing that the panels would be self-funding, which they weren’t.

Ms G’s complaint was considered by one of our adjudicators. She thought that the benefits of the panels were mis-represented to Ms G. Since Ms G had already settled her loan using another loan from a third party, the adjudicator said that fair redress would be for Shawbrook to first calculate how the original loan could have been restructured to effectively make the panels self-funding, based on evidence of the actual performance of the panels and a number of assumptions on future performance (“the self-funding amount”). Shawbrook should then pay Ms G the difference between what she paid in total and the self-funding amount, with 8% interest, and including any refinancing costs.

Shawbrook accepted this opinion in principle, but it asked for further evidence to show that the refinancing had indeed taken place. This was provided to Shawbrook, but it didn’t respond, so the case was referred for an ombudsman’s decision.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Shawbrook is familiar with all the rules, regulations and good industry practice we consider when looking at complaints of this type, and indeed our well-established approach. So I don’t consider it necessary to set all of that out in this decision.

Having carefully considered everything provided, for the same reasons as those explained by the adjudicator, I uphold this case. In brief, that is because the evidence supports the conclusion that a misrepresentation took place and Ms G was not given clear information to demonstrate that the solar panels would *not* be self-funding and would equate to an additional cost for her.

So I think that Shawbrook didn’t treat Ms G fairly and she lost out because of what Shawbrook did wrong. And this means that it should put things right.

Putting things right

I have seen Ms G’s bank statements which show the third party loan being paid into her account and then being used to repay the Shawbrook loan. (This has already been shared

with Shawbrook.) I am satisfied by this evidence that the refinancing did take place as described, and that the adjudicator's proposed redress is fair.

Having thought about everything, I think that it would be fair and reasonable in all the circumstances of Ms G's complaint for Shawbrook to put things right by, first, recalculating the original loan based on the known and assumed savings and income to Ms G from the solar panels over the ten year term of the loan so she would have been liable to pay no more than that, and on the basis that she will keep the solar panel system, and any future benefits.

If the calculation shows that Ms G has paid more than she should have, then Shawbrook needs to reimburse her accordingly. (Should the calculation show that the misrepresentation has not caused a financial loss, then the calculation should be shared with her by way of explanation.)

If the calculation shows there is a loss, then, since Ms G has settled the loan by refinancing, Shawbrook must:

1. Refund the extra Ms G paid each month with the Shawbrook loan.
2. Add simple interest at 8% a year from the date of each payment until Ms G receives her refund.
3. Refund the extra Ms G paid with the refinanced loan.
4. Add simple interest at 8% a year from the date of each payment until Ms G receives her refund.
5. Pay Ms G the difference between the amount now owed and the amount she would have owed if the system had been self-funding.

I'm satisfied that there was sufficient information available at the time that Ms G first contacted Shawbrook that means the claim should have been upheld in principle. So I direct that Shawbrook must pay £100 compensation for the inconvenience caused.

My final decision

For the reasons I've explained, I'm upholding this complaint. Shawbrook must put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 28 March 2022.

Richard Wood
Ombudsman