

The complaint

Mr C complains that Tesco Personal Finance PLC (TPF) rejected his claim under section 75 Consumer Credit Act in respect of a faulty caravan.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my decision.

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.

Where the evidence is incomplete, inconclusive, or contradictory I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards and codes of practice and (where appropriate) what I consider to have been good industry practice at the time.

The finance agreement, that is the hire purchase agreement, in this case is a regulated consumer credit agreement. As such this service is able to consider complaints relating to it. TPF is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The relevant law says that under a contract to supply goods, there is an implied term that *"the quality of the goods is satisfactory"*.

The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

Under the relevant law the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods.

The caravan was bought in May 2017, collected in July 2017 and cracks were first identified in February 2019. Mr C's evidence has been both credible and consistent throughout and I am satisfied that he had not made significant use of it.

The cracks were repaired under warranty in May 2019 and this suggests the retailer and /or the manufacturer accepted that the cracks were not down to wear and tear or misuse. The repair failed and the cracks reappeared and a second repair was needed. This necessitated

the front of the caravan being removed and replaced. This resulted in the roof being warped and the cracks reappeared. This second repair took eight months.

A caravan should be durable as set out above and I don't consider that cracks appearing after some 18 months can be said to be a sign of durability. Mr C had every right to expect trouble free use of the caravan for many years and it is clear that this is not the case.

TPF has said that it is up to Mr C to supply an independent report. It acknowledges that he has made every attempt to do so, but without success. While that would have been useful, I do not see the lack of a report as a major impediment in allowing me to reach a decision. I am satisfied that the detail of the numerous repairs which were required is sufficient to let me conclude the caravan was not fit for purpose. I should add that Mr C has confirmed that a lot of build quality issues were repaired in April 2018 in addition to the major issue set out above.

Quite simply the caravan was not sufficiently durable and I do not consider it was fit for purpose at the point of sale.

As for a deduction for use by Mr C given the time was deprived of the caravan and the additional costs he has incurred I don't think that is needed.

Putting things right

Mr C should be allowed to reject the caravan as set out below.

My final decision

My final decision is that I uphold this complaint and I direct Tesco Personal Finance PLC to:

- Arrange for the caravan be collected at no cost to Mr C.
- Allow him to reject it and refund his initial cost of £21,994.
- If he was charged interest on his £1,000 credit card payment this should be refunded.
- Any other charges he may have incurred as a result of this £1,000 payment should be refunded.
- Any money refunded should carry interest at 8% simple from the date paid until the date repaid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 June 2022.

Ivor Graham
Ombudsman