

The complaint

Miss W complains about issues that she has with a new kitchen that was installed by a kitchen supplier and which she paid for using a fixed sum loan agreement with Mitsubishi HC Capital UK plc, trading as Hitachi Personal Finance.

What happened

Miss W ordered a new kitchen from a kitchen supplier in March 2020. The total product price was £7,818.13 and the cost of the installation was £3,215. Miss W paid a deposit of £1,105 and entered into a fixed sum loan agreement with Hitachi Personal Finance for £9,928.13. She electronically signed the loan agreement in March 2020 and agreed to make 48 monthly payments of £251.27 to Hitachi Personal Finance starting from March 2021.

There was a delay in the kitchen being installed and there were then some issues with the kitchen. Miss W complained to Hitachi Personal Finance in October 2020 and said that she wanted to reject the kitchen. Some remedial work was performed and Hitachi Personal Finance arranged for the kitchen to be inspected by the Furniture and Home Improvement Ombudsman in February 2021. It also deferred the first loan repayment due from Miss W by one month.

The Furniture and Home Improvement Ombudsman identified some issues with the kitchen and the kitchen supplier offered to pay her £428.99 for the remedial work and to replace some specified items. Hitachi Personal Finance also credited £150 to Miss W's loan account but it said that the specialist works, including gas work, weren't funded by the loan so it had no liability under section 75 of the Consumer Credit Act 1974 for those works. Miss W didn't accept that offer and complained to this service.

Our investigator recommended that Miss W's complaint should be upheld. He said that the Furniture and Home Improvement Ombudsman had said that the kitchen was installed to a good standard so he didn't think that Miss W should be able to reject the kitchen. He said that there were clear issues following the installation of the kitchen and that Hitachi Personal Finance was jointly liable with the kitchen supplier for the breaches of the contract and was liable to pay for the remedial work. He said that the gas work was under a separate contract so Hitachi Personal Finance can't be held liable for it under section 75. He recommended that Hitachi Personal Finance should source a contractor and pay for the remedial work to be completed on the items listed in the Furniture and Home Improvement Ombudsman's report within 60 days or Miss W could obtain three quotes from local tradesmen to complete the remedial work with Hitachi Personal Finance then choosing one quote and paying for the work.

Hitachi Personal Finance says that the original installer was offered to attend but that was refused by Miss W and an alternative installer can be arranged but it could be several months before any are available. It says that it would be happy to review any quotes from Miss W. Miss W hasn't accepted our investigator's recommendation and says that she's tried over 60 tradesmen but they're not interested in the remedial work. She says that this is unacceptable from both the kitchen supplier and Hitachi Personal Finance as the kitchen isn't complete and she's been lied to about the gas hob.

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.

Having done so, I agree with the outcome recommended by our investigator for these reasons:

- Miss W used credit provided by Hitachi Personal Finance to pay for the kitchen and, in certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier;
- to be able to uphold Miss W's complaint about Hitachi Personal Finance, I must be satisfied that there's been a breach of contract or misrepresentation by the kitchen supplier and that Hitachi Personal Finance's response to her claim under section 75 wasn't fair or reasonable – but I'm not determining the outcome of Miss W's claim under section 75 as only a court would be able to do that;
- Miss W ordered the kitchen from the kitchen supplier and the order form sets out what was included – it lists the products that were to be supplied and the installation work that was to be done – it also refers to specialist works which are excluded and the order form says: *"The specialist works to be undertaken by the installer will form the basis of a separate contract between you and the installer and payment for such specialist works should be made by you directly to the installer"*;
- the specialist works included the work to *"Disconnect old Gas Hob or Gas Oven and refit new / existing gas appliance to include accessible electrical isolation switch and gas supply to Gas regulations"* so I consider it to be clear from the order form that the price that Miss W paid for the kitchen didn't include the gas work so Hitachi Personal Finance has no liability to Miss W for it under section 75;
- I can understand Miss W's concerns about the gas work and she has obtained an inspection report which says that *"The gas work recently undertaken at your property may not have been carried out by a Gas Safe registered business"* but as the gas work wasn't paid for using the loan provided by Hitachi Personal Finance, I'm unable to require it to take any action in relation to the gas work;
- Hitachi Personal Finance arranged for the kitchen to be inspected by the Furniture and Home Improvement Ombudsman in February 2021 and it said *"... the kitchen is installed to a satisfactory standard ..."* but it also said that some elements of the installation which were listed in the report could be improved upon and *"... there are minimal remedial workings required to enable balance and bring the aesthetics up to a professional finish"*;
- the kitchen supplier estimated that the remedial work would require one day's work and it offered to pay Miss W £428.99 for that work and to replace some specified items;
- Hitachi Personal Finance deferred the first loan repayment due from Miss W by one month and has credited £150 to her loan account;
- Hitachi Personal Finance is jointly liable with the kitchen supplier under section 75 for any breaches of the contract and I consider that the remedial work identified in the Furniture and Home Improvement Ombudsman's report show that there have been breaches of contract by the kitchen supplier;

- as Miss W has received the kitchen and it's been installed mainly to a satisfactory standard, I'm not persuaded that it would be fair or reasonable for Miss W to be able to reject the kitchen or for me to require Hitachi Personal Finance to write-off the outstanding amount that she owes to it;
- I find that it would be fair and reasonable in these circumstances for Hitachi Personal Finance to pay for the remedial work identified in the Furniture and Home Improvement Ombudsman's report to be completed – and I consider that the options recommended by our investigator are a fair and reasonable way for that to be achieved;
- Miss W says that she's tried over 60 tradesmen but they're not interested in the remedial work and, if she's unable to provide three quotes for the remedial work to Hitachi Personal Finance, she should ask it to arrange and pay for the remedial work to be completed; and
- I sympathise with Miss W for the issues that she's had with her kitchen and the difficulties that she's described but I consider that the remedial work is a fair and reasonable way for her complaint to be resolved - Hitachi Personal Finance has deferred the first loan repayment due from Miss W by one month and has credited £150 to her loan account and I'm not persuaded that it would be fair or reasonable for me to require it to take any other action in response to her complaint.

Putting things right

I find that, if requested to do so by Miss W, Hitachi Personal Finance should arrange and pay for the remedial work identified in the Furniture and Home Improvement Ombudsman's report to be completed – or, if she provides it with three quotes for the remedial work, Hitachi Personal Finance should choose one of the quotes and pay for the work.

My final decision

My decision is that I uphold Miss W's complaint in part and I order Mitsubishi HC Capital UK plc, trading as Hitachi Personal Finance, to take the actions described above in connection with the remedial work.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 16 November 2022.

Jarrold Hastings
Ombudsman