

## **Complaint**

Mr B has complained that Omni Capital Retail Finance Limited (“Omni”) rejected his claim against it under Section 75 of the Consumer Credit Act 1974.

## **Background**

Mr B bought solar panels for his home in 2018. The purchase was funded by a loan from Omni, 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 Mr B into believing that the panels would be self-funding, which they weren't.

Mr B's complaint was considered by one of our adjudicators. They thought that the benefits of the panels were mis-represented to Mr B, and that fair redress would be for the loan to be restructured to make the panels cost no more than the benefit they would provide over a ten-year period. This restructure should be based on evidence of the actual performance of the panels, and a number of assumptions on future performance. Omni didn't respond so the case was passed to an ombudsman.

## **My findings**

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

Omni 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.

I understand Omni says that Mr B has not substantiated his verbal testimony. Omni adds that the costs were set out for Mr B on his credit agreement and he was also given a document with the estimated benefits set out. It therefore feels it was made clear to Mr B, that the panels would not be self-funding.

I have reviewed the documents referred to by Omni and can see that the annual estimated returns are amongst an array of different facts and figures. I think given Mr B's lack of experience in solar panels and energy generation figures, he would have required help in understanding what these facts and figures meant. And Mr B says he was assured that the solar panels would be self-funding.

Additionally, there's nothing on this document that mentions the finance, the cost of the panels, the likely monthly or yearly repayments or the term of the loan. So, in order to compare the benefits with the cost, Mr B would have to look at his finance agreement and calculate the yearly payments to deduce that the estimated annual benefits would unlikely cover the cost of the loan.

Mr B's testimony has been clear and consistent throughout and he says he was told the panels would be self-funding. I think it was reasonable for Mr B to rely on what he was being told. And I'm not persuaded that these documents are clear enough to demonstrate that

Mr B was told the panels would not be self-funding. As explained above, he'd have to look at multiple documents, and carry out calculations to figure out that the panels would not be self-funding.

So, 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 Mr B was not given clear information to demonstrate that the solar panels would *not* be self-funding and would equate to an additional cost for him.

So, I think that Omni didn't treat Mr B fairly and he lost out because of what Omni did wrong. And this means that it should put things right.

### **Fair compensation – what Omni needs to do to put things right for Mr B**

Having thought about everything, I think that it would be fair and reasonable in all the circumstances of Mr B's complaint for Omni to put things right by recalculating the original loan based on the known and assumed savings and income to Mr B from the solar panels over a 10-year period so he pays no more than that, and he keeps the solar panel system, and any future benefits once the loan has ended.

In the event the calculation shows that Mr B is paying (or has paid) more than he should have, then Omni needs to reimburse him accordingly. Should the calculation show that the misrepresentation has not caused a financial loss, then the calculation should be shared with Mr B by way of explanation.

I understand Mr B has settled the loan by refinancing, so he should supply evidence of the refinance to Omni, and Omni should:

1. Refund the extra Mr B paid each month with the Omni loan.
2. Add simple interest from the date of each payment until Mr B receives his refund.
3. Refund the extra Mr B paid with the refinanced loan.
4. Add simple interest from the date of each payment until Mr B receives his refund.
5. Pay Mr B the difference between the amount now owed and the amount he would've owed if the system had been self-funding

I'm satisfied that there was sufficient information available at the time that Mr B first contacted Omni that means the claim should have been upheld. I direct that Omni should pay £100 compensation for the trouble and upset caused.

### **My final decision**

For the reasons I've explained, I'm upholding Mr B's complaint. Omni Capital Retail Finance Limited should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 November 2022.

Asma Begum  
**Ombudsman**