

The complaint

Mr M complains that there is a fault with the solar panel system he had installed and paid for using his Nationwide credit card.

What happened

Mr M raised a claim with Nationwide in October 2021 under Section 75 of the Consumer Credit Act 1974 (Section 75) due to a fault with his solar panel inverter. He said that Nationwide agreed to pay for the work to be carried out providing it received evidence that the work was completed successfully. A contractor carried out the work and the payment was settled. However, Mr M says that the fault with the inverter remains. He contacted Nationwide about this but was told that there was no guarantee the works would resolve the fault and that the agreed work had been undertaken and paid for.

Nationwide said that Mr M paid for solar panels to be installed in 2014 using his credit card. In October 2021, he raised a claim saying the solar panels were faulty and while he had a warranty the company that provided it was no longer trading. Nationwide requested a report to demonstrate the faults and to be able to link these to the warranty. It says Mr M provided a quote for work rather than a report. It contacted the contractor that provided the quote for further clarity and was told the fault couldn't be confirmed to be with the inverter. Nationwide says it asked Mr M for a report to demonstrate where the fault lied but Mr M didn't wish to obtain this. It told Mr M it might be willing to cover the cost for faults with the PV strings. This work took place, and the cost was covered.

Nationwide says Mr M then raised a new Section 75 claim saying the work undertaken by the contractor hadn't resolved the issue. Nationwide contacted the contractor which said it had offered a diagnostic service which Mr M had declined. Nationwide then contacted Mr M to say it didn't uphold this claim as the contractor had performed the work as requested.

Mr M didn't accept Nationwide's response and referred his complaint to the Financial Ombudsman Service.

Our investigator upheld this complaint. He said that while the contractor had carried out the works to repair the issues with the PV strings the fault with the inverter wasn't investigated or resolved. Although Mr M declined the diagnostic service, he thought that the contractor should have still carried out the investigation to identify the fault which could have prevented Mr M needing to make a subsequent Section 75 claim.

Our investigator noted that Mr M acquired the solar panel system with a 20-year warranty and the fault should be identified and rectified in line with the warranty. He said the warranty mentioned cover of the panels and the inverter. As the warranty provided was no longer trading, and Nationwide accepted the original repair, he thought Nationwide was now required to ensure the resolution of the ongoing issue with Mr M's solar panel system.

Nationwide didn't agree with our investigator's view. It said it had requested that Mr M provide a report of the faults when he raised his claim in October 2021, but Mr M hadn't done this. Instead, a quote was provided and when the contractor was contacted it said it couldn't confirm the fault. As Mr M wanted the work to go ahead it was agreed and the cost covered. Nationwide said that the contractor had carried out the agreed works, there had been no breach of contract and that Mr M was aware the work might not resolve the issue, so it didn't uphold Mr M's subsequent Section 75 claim.

Nationwide noted our investigator's comments and thought it was being asked to revisit the first claim outcome. It said if Mr M provided a diagnostic report then it would review his October 2021 claim. It said Mr M needed to evidence the faults with his solar panels, which could then be considered in regard to the warranty. Nationwide said it would refund the cost of this report if the claim was accepted.

My provisional conclusions

I issued a provisional decision on this complaint the detail of which are set out below

Mr M's solar panel system was installed in 2014 and he had a 20-year warranty. A fault arose in 2021. By that time both the company that installed the solar panels and the warranty provider were no longer trading. As Mr M was no longer able to claim under his warranty there had been a breach of contract. Mr M raised a Section 75 claim in October 2021 as he had acquired the solar panel system using his Nationwide credit card. I agree that Mr M met the criteria for the Section 75 claim and can see that Nationwide assessed this.

Nationwide asked Mr M to provide a report of the issues. Mr M didn't provide a report and instead provided a quote for works. The quote was to correct a fault on a single PV string causing an inverter error, panel testing, inspection and safety check and post work testing and recommissioning. Nationwide contacted the contractor to get further information and was told the fault couldn't be confirmed to be with the inverter.

The contractor carried out the work, Nationwide covered the cost and Mr M accepted this as settlement of his claim. However, the issue Mr M had noted with the inverter wasn't resolved. Having considered the evidence provided by the contractor and Nationwide about the scope of work agreed and carried out, and noting the comments before the work commenced about the fault not being confirmed, I do not find I can say that there was a breach of contract by the contractor or that the work it undertook wasn't of a satisfactory quality. Therefore, I agree with Nationwide's comments in regard to the second Section 75 claim.

That said, as Mr M had raised the issue with the inverter and this appears to be covered by the warranty, I find that Nationwide is still potentially liable for the costs of any repairs needed. This issue should have been clearly identified at the outset when Mr M raised his claim in October 2021 but unfortunately Mr M wasn't prepared to have a diagnostics report at that time.

Therefore, I find the fair resolution at this stage is for a diagnostics report to be undertaken on Mr M's solar panel system. Nationwide has said that Mr M should cover the cost of the report and if his claim is accepted this cost would be refunded. I can see Mr M was reluctant

to have a diagnostics report initially but I find it reasonable that Mr M is required to provide evidence of the faults with his solar panel system as part of his claim and in the event his claim is accepted the cost of this report is refunded. In the event the report identifies faults with the solar panel inverter (or other issues causing the ongoing issues with Mr M's solar panel system) Nationwide should, in the event these faults would have been covered by Mr M's warranty, cover the costs of any required repairs.

Nationwide responded to my provisional decision asking how the outcome differed from its communications in response to this complaint. It noted that the decision upheld the complaint but that a report needed to be undertaken before any action would be taken.

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 assess each complaint on its own individual merits. While I take all relevant rules, regulations and guidance into account my decision is based on what I consider to be a fair and reasonable outcome given the specific circumstances of the complaint. As our investigator has explained the regulations that are particularly relevant to this case are Section 75 of the Consumer Credit Act 1974 and the Consumer Rights Act 2015.

Under Section 75, Mr M has, in certain circumstances, an equal right to claim against the credit provider (Nationwide) if there is a breach of contract or misrepresentation by the supplier of goods or services. Under the Consumer Rights Act 2015 goods and services need to be provided to a satisfactory quality.

In this case, Nationwide agreed to cover the cost of repair that was undertaken in response to Mr M's first Section 75 claim. This didn't fully resolve the issue with Mr M's solar panel system and so he raised a second Section 75 claim. I do not think that Nationwide was wrong to decline Mr M's second Section 75 claim. Nationwide offered to revisit the first Section 75 claim in the event evidence was provided to show that there were faults with Mr M's solar panel system that would have been covered by his warranty. I agree with this and think Mr M should pay for the inspection report to be carried out and in the event this shows works are needed that would have been covered by the warranty then Nationwide should cover the cost of these. If further works are required at the cost of Nationwide, it should also refund Mr M the cost of the diagnostics report.

I issued a provisional decision to set out my findings as these differed in part from our investigator's view. Nationwide made an offer in line with my recommendations in response to the view issued by our investigator and while I appreciate that the actions are subject to a report being provided given the potential action required and the timing of the offers made I am upholding this complaint.

Putting things right

If, on receipt of an inspection report on Mr M's solar panel system, it is found that there are repairs required that would have been covered by Mr M's warranty the cost of such repairs should be covered by Nationwide Building Society and the cost of the inspection report refunded to Mr M.

My final decision

My final decision is that Nationwide Building Society should, as it had offered, take the actions stated above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 April 2023.

Jane Archer
Ombudsman