

The complaint

Mrs B complains that she was mis-sold a fixed sum loan by Work Work Limited. The loan was provided under the Green Deal scheme to finance the installation of solar panels on her property.

What happened

Mrs B is represented in this complaint. But, for the sake of simplicity, I have just referred to her and Work Work.

Mrs B has said that a sales agent of Work Work knocked on her door in 2015 and sold her a solar panel system. The system was part financed by Mrs B's savings and partly by a finance agreement provided through the Green Deal scheme.

In essence, the Green Deal scheme was a government backed initiative intended to remove the upfront cost to consumers of installing energy efficiency measures into their homes. It did this by allowing Green Deal Providers ("Providers") to enter finance agreements with consumers to pay for the measures. These loans were then repaid via the consumer's electricity bill. Work Work was an authorised Provider under the scheme.

There were particular rules that Providers had to follow, largely set out in part in the Green Deal Framework (Disclosure, Acknowledgement, Redress etc.) Regulations 2012 and the Green Deal Code of Practice.

Mrs B has said that her property had two electricity meters. One was a historic "pay-as-you-go" meter that related to the fact half of the property used to operate as a commercial business. Mrs B has said that the solar panels were connected to this meter, rather than the normal meter. However, it seems likely, the loan was repaid via her electricity bill which would have related to the normal meter.

Mrs B has said that she initially contacted Work Work in 2018 to query the Green Deal payments being taken from her electricity bill, given she was not receiving the reductions on this bill that she expected from having the solar panel system. Mrs B has said that Work Work did not provide her with an acceptable response. And ultimately Mrs B brought her complaint about this issue to the Ombudsman Service.

Mrs B has also contacted Ofgem, who confirmed that the system had not been registered to receive feed-in-tariff ("FIT") payments – the money that would've been paid by the energy network for any electricity the system generated that wasn't used by the property and instead 'sold' to the network. Ofgem also said it was now too late for this to be registered.

Work Work has told us that it has no detailed records of the sale, as it has been a number of years since the installation.

Our Investigator thought Mrs B had most likely made an expression of dissatisfaction in 2018, so she considered the complaint was within the jurisdiction of the Ombudsman Service to consider. Our Investigator recommended Mrs B's complaint be upheld. She

thought there were a number of reasons for this, including that she was not persuaded Work Work had clearly explained the need for Mrs B to apply for the FIT payments.

Our Investigator recommended that Mrs B's loan be reworked so that she doesn't pay more than £3,106.15 to repay the Green Deal loan. That Work Work should arrange for any adverse markers made in association with the repayments, to be removed from Mrs B's credit file. And that Work Work should pay Mrs B £200 compensation.

Mrs B accepted the recommendation. Work Work did not respond and have offered no further argument or evidence.

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 have come to the same conclusion as our Investigator, for largely the same reasons.

Firstly, I consider that I am able to consider this complaint. The rules that set out the Financial Ombudsman Service's ability to consider a complaint – our jurisdiction – are largely those in Dispute Resolution: Complaints ("DISP") section of the Financial Conduct Authority's Handbook. DISP 2.8.2 R says, in part, that a complaint can be considered if it is made six years after the event complained about if the complainant referred the complaint to the respondent business within those six years.

Mrs B's complaint was initially framed around the system not being properly installed and connected, meaning she was not receiving the benefits she expected. I think it is more likely than not that when she contacted Work Work in 2018, she expressed dissatisfaction – i.e. complained – about this. I think it is more likely that the reason Mrs B is not receiving the benefits she expected has less to do with the two meters in her property, and more to do with the fact she is not receiving FIT payments. But effectively this is part of the same issue – that Mrs B is unhappy with what Work Work did when selling her the system which has led to her not receiving the expected benefits.

In terms of the merits of this complaint, as I have noted, our Investigator thought there were a number of reasons why this complaint might be upheld. However, I am satisfied that if there is one valid reason why the complaint should be upheld, it is not necessary to consider the others.

It is clear that Mrs B is not receiving the expected benefits of having the system. She is not receiving any FIT payments, so is not benefitting from the full amount of energy the system is producing. Without this, even disregarding any further issues with the arrangements, it is highly unlikely the plan would meet the "Golden Rule" as required by the Green Deal specific rules - i.e. the measures would not pay for themselves. The question is, was not registering for FIT due to something Work Work did or did not do when selling the system to Mrs B?

Mrs B has been able to provide us with a copy of an uncompleted FIT application form. So it seems likely she was provided this at the time. But I agree with our Investigator that it seems more likely than not that Work Work did not provide Mrs B with clear information about this or the way the benefits for the solar panel system worked. Had Work Work done this, I think Mrs B would have signed and sent in the application to receive FIT payments.

I should also point out that, had Work Work responded to Mrs B appropriately in 2018, she would have been able to complete an application for FIT payments at that time. The scheme

closed for new applications a few years after that. This further failing in 2018, along with the lack of any substantial defence of this complaint, supports my conclusions that Work Work did not provide clear information in 2015.

Putting things right

Because Mrs B is not receiving the FIT payments, she is only likely to be benefitting from 37% of the energy the solar panel system is producing (based on the Energy Savings Trust estimations of energy usage). So, the loan agreement should be reworked with this in mind.

To put things right Work Work should take steps to ensure Mrs B doesn't pay more than £3,106.15 towards the Green Deal loan. Work Work should calculate how much Mrs B has paid towards the loan:

- If she has paid more than £3,106.15, Work Work should refund any payments made above that amount with 8% simple interest (calculated from the date of that payment to the date of settlement) and cancel the remaining Green Deal loan.
- If Mrs B has not yet paid £3,106.15, Work Work should adjust the Green Deal loan to this amount.

Following this Work Work should arrange for any adverse markers in association with the repayments to be removed from Mrs B's credit file, if any have been made.

In addition, I consider that Mrs B has suffered distress and inconvenience as a result of the issues she has experienced, and Work Work should pay her £200 compensation.

Work Work should take these actions within 28 days of the date on which we tell it Mrs B accepts this final decision.

My final decision

My final decision is that I uphold this complaint. Work Work Limited should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 3 July 2023.

Sam Thomas
Ombudsman