

The complaint

Miss C complains about damage caused to her home during the installation of a boiler paid for with finance provided by Creation Consumer Finance Ltd.

What happened

In February 2022 Miss C took out a regulated fixed sum loan with Creation to pay for the supply and installation of a boiler by a third party, which I will call X. It is not in dispute that the installation was botched, and that as a result damage was caused to Miss C's home. Her kitchen cupboard was damaged, brick dust was spread all over the kitchen, and the replacement of the flue caused damage to the roof, which in turn caused water to leak into her bedroom.

Miss C spent about three months trying to resolve the matter with X, getting nowhere, before she lost confidence in X. In May she asked Creation to compensate her under section 75 of the Consumer Credit Act 1975 (which makes the provider of credit liable for a breach of contract by the supplier of goods and services paid for with credit).

On 22 September 2022, Creation upheld her claim and offered her £1,250. Believing that the repair work would cost her much more than that, Miss C brought this claim to our service. She provided photos of the damage, and evidence about what it would cost to repair it. In response, Creation told us that Miss C had stopped communicating with X, and had refused to allow X to carry out a site visit to inspect the damage and see what work needed to be done.

Our investigator upheld this complaint. He was satisfied that the installation had not been carried out with reasonable care and skill, and that Creation was liable for that under section 75. He thought it was reasonable of Miss C to want the remedial work to be carried out by another company instead of X, and so he thought that Creation should pay for the cost of that work. Based on the quotes and other evidence provided, he thought that a reasonable estimate of the total cost would be £2,567.45, plus another £29.99 for a broom which X's engineer had broken during his visit. He did not agree that Creation was liable for a garden gate which had been damaged by the wind after the engineer had left it open, nor was it liable for some customer service failings by X after the installation.

Miss C accepted that opinion, except that she argued that she should also be compensated for the time she had spent cleaning up her kitchen and writing to and phoning X and Creation about this matter. She calculated an hourly rate for this. However, our investigator did not agree to recommend that Creation pay for this.

Creation did not reply at all. After chasing Creation for a response to his opinion, the investigator referred this case for an ombudsman's 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.

Having done so, I uphold this complaint, for broadly the same reasons as my colleague did.

Although Creation has not denied that the installation was botched, I have still satisfied myself that this is the case by referring to the photos Miss C took of her kitchen. The photos make it very clear that the work was not carried out with reasonable care and skill, and I have no doubt that this is what has caused the leak.

I agree with our investigator's view that the damage to the garden gate is too remote from the contract to install the boiler to hold Creation liable for that damage under section 75. But there is no reason why it should not pay for the rest of the damage (including the broom).

In his decision, our investigator carefully itemised how he arrived at the total repair cost of £2,597.44. I don't need to repeat all of that here; it is enough for me to say that I agree with it, and I gratefully adopt it.

I will not award Miss C an hourly rate for her cleaning and correspondence. But I do think that it is right that I should award her some compensation for her general inconvenience arising from the damage that was caused to her property, and especially for the leak in her roof. I think £500 is fair. (I would normally write a provisional decision about that first, to give Creation an opportunity to object before I make a final decision. But since Creation did not respond to the investigator's decision, I don't think it is likely that it would have responded to my provisional decision either, and so I have chosen to proceed directly to issuing this final decision.)

My final decision

My decision is that I uphold this complaint. I order Creation Consumer Finance Ltd to pay Miss C:

- £2,597.44 for the cost of repairing the damage to her home, together with simple interest on that sum at the rate of eight percent a year from 22 September 2022 (being the date of Creation's final response letter) to the date of settlement; and
- £500 for her inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 20 October 2023.

Richard Wood
Ombudsman