

The complaint

Miss G complains how Shop Direct Financial Services Ltd ('SD') handled a claim she made to it.

What happened

The parties are familiar with the background details to this complaint, so I will simply summarise these here. It reflects my informal remit.

Miss G paid for some wardrobes in April 2022 using finance provided by SD. However, she is unhappy with these and says they are not of good quality as cracks appeared in places.

Miss G made a claim to SD in March 2023 about the quality of the goods. It considered things in respect of Section 75 of the Consumer Credit Act 1974 ('Section 75'). It arranged an expert inspection for Miss G – however, the inspection concluded the damage was caused by user wear and tear rather than a manufacturing defect. SD charged Miss G £45 for the inspection and did not agree to accept a refund and return of the wardrobes.

Our investigator looked at Miss G's complaint about the claim outcome. He didn't uphold it as he wasn't persuaded there was a breach of contract which SD was responsible for.

Miss G has asked for the matter to be looked at by an ombudsman. In summary, she says SD did not have anyone come to examine the wardrobe in person – they only looked at photos, and the wardrobe is not made to hold the weight of items inside.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

In deciding if SD has acted fairly I am looking at its role as a provider of financial services and distinct from the retail arm which sold Miss G the wardrobes. In that respect I consider that Section 75 is particularly relevant here as it provides a way a financial business can assist with a dispute about goods it financed. So it is this I have focused on here.

Section 75 in certain circumstances allows a consumer to hold a provider of financial services liable in respect of a '*like claim*' for breach of contract or misrepresentation by a supplier in relation to an agreement to supply goods or services.

There are certain requirements that need to be in place for Section 75 to apply such as those relating to the price of the goods and the parties to the agreement. I consider those requirements are met here so I have moved on to consider if there is a breach of contract or misrepresentation in respect of the supply of goods here which SD is liable for.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that “the quality of the goods is satisfactory”.

The Consumer Rights Act 2015 says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

The Consumer Rights Act 2015 ('CRA from now on') says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

I note that Miss G has provided photos of the wardrobes showing some cracking and says the wardrobes are not of acceptable quality. However, I don't think there is persuasive evidence that the issues here are due to an inherent fault. I say this because there is an expert report saying that the damage is consistent with overloading or moving the furniture, and the photos I have seen are not clearly at odds with this conclusion.

I know Miss G thinks the wardrobes are not durable and I have considered that durability is a factor when considering satisfactory quality. However, it is difficult for me as a non-expert to come to a different conclusion to the expert based on what Miss G has said and the evidence she has provided to date.

I appreciate Miss G says that SD's expert did not inspect the wardrobes in person (it did a desktop inspection via photos). However, I also have to note that she had been using them for around a year before reporting the issue. So with the provisions of the CRA in mind I don't think it unfair that SD is able to rely on the expert evidence it has provided to date – and for it to be for Miss G to show that these conclusions are incorrect (for example by obtaining her own expert inspection). However, she has not provided a report or similarly persuasive evidence to counter the report provided by SD, so I can't fairly conclude the goods are of unsatisfactory quality and that it should have done more here.

Miss G's complaint is focused on the quality of the wardrobes so it is this I have focused on here. However, I note she mentioned being unhappy that SD didn't tell her the outcome of her claim sooner and says if it had she could have avoided interest charges. From what I can see from SD's contact notes although it apologised to Miss G for any delay it did let her know the outcome by early April 2023 – which wasn't a long time from when her claim was raised. And in any event I am not persuaded it is SD's fault if Miss G chose to withhold payments under the finance agreement while the dispute was ongoing. Or that she would have necessarily acted differently had she known the outcome sooner (as it was not in her favour).

I invited Miss G to comment on the £45 charge which SD has clarified was an inspection fee and not a repair fee (as it was described in its Final Response Letter to the complaint). However, Miss G has not provided further comment. In any event, and for completeness I did check if SD was sufficiently clear about this fee at the outset – and I think it was. I have heard an initial call it had with Miss G outlining the fee and what circumstances this would be payable in.

Overall, I can understand how frustrated Miss G is with the purchase. However, based on the evidence I have I am unable to fairly say SD has acted unreasonably in the way it handled the claim and that it needs to do more here.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 30 May 2024.

Mark Lancod
Ombudsman