

The complaint

Mr B complains that Creation Consumer Finance Ltd ("CCF") unfairly failed to offer him the right to reject a sofa that he had purchased via finance with it, and which had developed a fault.

What happened

In December 2019 Mr B took out finance with CCF for a sofa. A few months later the sofa developed a fault, but the retailer had gone out of business. So, in September 2020 Mr B made a claim under section 75 of the Consumer Credit Act 1974 to CCF.

CCF agreed, on reviewing an inspection report, that the sofa was faulty and as a resolution for Mr B's claim paid for the repair and provided Mr B with an amount of compensation.

However, Mr B was unhappy that CCF hadn't offered him the right to reject the sofa and to cancel the agreement with nothing further to pay. He made a new complaint about CCF's handling of his section 75 claim.

Our investigator didn't recommend that Mr B's complaint should be upheld. He said CCF hadn't made any errors as to a remedy under the Consumer Rights Act 2015. He said the remedy provided by CCF had been appropriate and accepted by Mr B at that time.

Mr B disagreed with our investigator's view as he said the repair had failed.

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.

The general effect of section 75 of the Consumer Credit Act 1974 is that if a consumer has paid for goods or services with a credit agreement, such as a credit card or a fixed sum loan, and they have a claim against the supplier of those goods or services for misrepresentation or breach of contract, they are given a like claim against the credit provider which here would be Creation.

It isn't disputed that the sofa Mr B bought had developed a fault a few months after he acquired it. And that as the retailer had gone out of business, Mr B made a claim to Creation under section 75. I've seen that Creation offered to cover the cost of the repairs as well as paying him compensation. However, Mr B now says this was unfair as he should have been entitled to reject the sofa and cancel the agreement.

While I appreciate this will be of disappointment to Mr B, I'm not going to uphold his complaint and I will explain why below.

I've seen that it was agreed the sofa was faulty and so wasn't of satisfactory condition meaning there had been a breach of contract, but this doesn't mean Mr B was entitled to reject the sofa and cancel the agreement. Under the Consumer Rights Act 2015 if the

consumer doesn't have the short term right to reject, which Mr B didn't as the fault was discovered a few months after he acquired it, then the retailer has a right to repair. As CCF has the same rights as the retailer, it was entitled to make the settlement that it did to Mr B in response to his section 75 claim.

Mr B has now raised that the repair wasn't successful, but I can't see he has made that complaint to CCF. Under the rules for this service, I can't look at a complaint that hasn't been made to a business first allowing them the opportunity to investigate and respond. So, if Mr B wishes to pursue a complaint that the repair failed, then he will need to contact CCF and provide what evidence is available to him to support his complaint. Should Mr B be unhappy at CCF's response to that complaint, he can of course make a new complaint to this service.

So, for the reasons given, I'm not upholding Mr B's complaint as I don't think CCF acted unfairly by not offering him the right to reject the sofa and cancel the agreement as a settlement to his section 75 claim.

My final decision

For the reasons given I'm not upholding Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 01 March 2024.

Jocelyn Griffith
Ombudsman