

The complaint

Miss C and Mr D complain about how Shawbrook Bank Limited handled their claim under section 75 of the Consumer Credit Act 1974 about some patio doors.

What happened

In June 2023 Miss C and Mr D entered into a regulated fixed-sum loan agreement with Shawbrook to finance their purchase of some patio doors for their home. They were not satisfied with the doors once they had been installed, and so they complained to the supplier and then to Shawbrook. Meanwhile, they also brought this complaint to our service in September 2023.

In January 2024, Shawbrook wrote to Miss C and Mr D to say that it had contacted the supplier and they had arranged for some remedial work to be carried out. This work had been scheduled for February. The bank did not accept that it had made any errors in how it had dealt with their claim under section 75.

Our investigator upheld this complaint in part, but only to the limited extent of recommending that the bank pay Miss C and Mr D £75 between them. That was for not updating them and keeping them in the dark about their claim until it gave them its final response in January. But apart from that, he thought that Shawbrook had done enough to resolve the claim.

None of the parties accepted that opinion. Mr D said he wanted the loan agreement to be cancelled. Shawbrook said that there had been no shortcomings in its handling of the claim. It said it had told the complainants that it was in contact with the supplier about their claim, and it pointed out that the supplier had also been in touch with them too.¹

Shawbrook also raised a jurisdictional issue: it argued that when it was first told about the claim, it had treated it as a claim for breach of contract by the supplier (for which it was jointly liable under section 75) rather than as a regulated complaint under the FCA's rules. Technically, there had not actually been a complaint until 15 December, and Shawbrook had then been entitled to eight weeks from that date to resolve the matter before the Financial Ombudsman Service had power to even consider it. But the investigator had given his opinion after only seven weeks.

Since agreement had not been reached, the investigator referred this case for an ombudsman's decision in March (after the eight weeks had expired).

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.

¹ Shawbrook added that the remedial work had been carried out, except that the hinges on two windows still needed to be upgraded, and that this would resolve the claim.

I don't need to address the jurisdictional issue raised by Shawbrook, because the eight weeks have now elapsed, so I have power to consider this case. However, I mention it here in passing in order to explain that in coming to my decision about the merits of this case, I have taken into account the difference between how Shawbrook handled the section 75 claim and how Shawbrook handled a complaint about the claim, and I have left the latter out of account. I have only considered how Shawbrook dealt with the section 75 claim.

Having done so, I do not uphold this complaint. The hinges have now been replaced. On that occasion, two other issues were raised (a rattling sash, and adding beads to some windows), which were scheduled to be carried out the following week. So this matter appears to be in hand. I think it would be disproportionate to cancel the loan agreement now, especially as this would involve removing the patio doors from the house. I think that completing the remedial work is a satisfactory and fair resolution to the section 75 claim.

Turning to how Shawbrook communicated with Miss C and Mr D, I've seen evidence that on 14 September 2023, Shawbrook wrote to them to say that it was still investigating their claim (which had been raised in a phone call). This letter said that Shawbrook could give no timescale on how long the investigation would take, and that Shawbrook would be in touch again when the investigation was completed, to tell them the outcome.

Then a month later, on 13 October, Shawbrook wrote to them again. This email said that the author could find no record of any claim having been raised before, and asked Miss C and Mr D to provide copies of any earlier correspondence they might have so that Shawbrook could investigate that. This email also said that Shawbrook had contacted the supplier that same day, and that an investigation had begun.

So it appears that nothing happened between 14 September and 13 October, and a month was wasted. I have re-read the latter email carefully, and I am satisfied that it is clearly an email about the substantive section 75 claim, and not about a complaint about Shawbrook's handling of that claim. So I will uphold this complaint on the basis of that lost month.

By 13 October, this complaint had been referred to our service. And later, the supplier got in touch to arrange for the remedial work to be carried out. So I don't think there is anything wrong with how Shawbrook dealt with this matter after 13 October, but I agree with our investigator that Shawbrook failed to deal with the section 75 claim at all for one month. I think that £75 compensation between two people is a fair remedy for that.

My final decision

My decision is that I uphold this complaint in part. I order Shawbrook Bank Limited to pay Miss C and Mr D £37:50 each.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C and Mr D to accept or reject my decision before 10 June 2024.

Richard Wood
Ombudsman