

## **The complaint**

Mrs P complains about doors and windows which were paid for with finance provided by V12 Retail Finance Limited ("V12").

## **What happened**

In November 2022, Mrs P ordered some new doors and windows for her home. These were to be supplied and installed by a third party which I will call S. She paid a deposit of £261, and the balance of £9,000 was to be financed by V12 under an interest-free regulated fixed sum loan agreement. She was to repay this in 60 monthly instalments of £150.

In January 2023, Mrs P complained to V12 that there was significant water ingress coming through one of the doors, and some of the windows. She wanted the door to be replaced. V12 consulted with S. S accepted that there was water ingress, but said that this would be easy to repair. It said it was just a matter of adding some sealant to the windows in the door, which had been overlooked when the door was made; it was not necessary to replace the door, and it would take less than an hour. S also said that they had offered to do this on the next day after the installation, but Mrs P had refused to allow it. For that reason, S did not accept responsibility for any damage which had since been caused by water ingress. Subsequently, relations between Mrs P and S broke down. She has made no payments under the loan agreement.

Mrs P complained to V12. She said V12 should not have paid any money to S without her permission, which she would not have given because of the state of the doors and windows. She said the satisfaction note was fraudulent, as she hadn't signed it. She said that as well as the doors leaking, the trim around the windows is unsightly, and there was no adequate explanation of why it had been added. She asked for that to be removed.

In June 2023, V12 agreed that Mrs P had the right to insist that the faulty door be replaced instead of repaired. It said that S had agreed to carry out the necessary remedial work on the windows and the doors, but that as Mrs P had refused to allow that work to be carried out, and had said she would issue court proceedings instead, there was nothing else it could do. So although V12 told Mrs P that it was upholding her complaint, it was not offering her anything that S had not already offered her. Being dissatisfied with that outcome, she brought this complaint to our service, about the doors and windows and also about V12 reporting arrears on her credit file.

Our investigator upheld this complaint. She pointed out that in addition to S's own analysis of the condition of the doors and windows, Mrs P had obtained two independent reports about them, and the authors of both reports had each found significant additional problems not mentioned by S. Therefore the remedial work which S had undertaken to carry out would not have gone far enough to put things right. The investigator found these reports to be persuasive. So she recommended that the additional remedial work should be carried out, and that Mrs P should be reimbursed for the cost of the two reports – £300, plus interest. However, she did not agree with Mrs P that every window and door needed to be replaced, or that the new window trim should be removed. And she didn't think that V12 had done anything wrong by reporting Mrs P's arrears on her credit file.

Because Mrs P had lost confidence in S, the investigator recommended that V12 pay the cost of another firm carrying out the remedial work.

Neither party accepted the investigator's decision. Mrs P still wanted all of the windows and doors to be replaced. And V12 questioned whether all of the proposed remedial work was really necessary. So 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.

#### The doors and windows

It is not in dispute that section 75 of the Consumer Credit Act 1974 makes V12 jointly liable to Mrs P for any breach of contract by S. The Consumer Rights Act 2015 makes it an implied term of S's contract with Mrs P that the goods it supplied will be of satisfactory quality and that the installation work will be carried out with reasonable care and skill. It is not in dispute that these terms were breached by S, only to what extent, and so the question in this case is what would be a fair and reasonable solution.

Since the installation, the doors and windows have been inspected by a site manager employed by S (in March 2023), and by two different experts instructed by Mrs P (in November 2023 and January 2024). I have read all three reports. In this decision, I will refer to them respectively as S's report, the second report and the third report.

As I've said, S's report recommended some remedial work. However, the two subsequent reports went further, adding more items. The second report said that three of the windows were an inch too short, another window had a missing vent, the rear door was 7mm too short, the kitchen window was not central, some stonework had been damaged (it does not say whether this was caused during the installation), and the front door handle was loose.

That report is quite brief. The third report is more detailed, and is supported by photographs. It says that three of the bedroom windows were too short and had not been installed properly, resulting in a draught, and two of them were missing drainage caps. The three windows in a bay window were also too short and had not been installed properly, the silicon seals at the base of each window did not cover the paint line, and one of the windows was missing a vent cover. The internal trim was loose. The front and rear doors were both misaligned, and were lacking drainage caps.

I have no reason to doubt these reports, and so I accept their findings. I think they vindicate Mrs P's decision not to accept the remedial work which S had offered to do, because its offer did not go far enough. So I will uphold this complaint, and require that these additional faults are remedied too. But I do not find V12 liable for the damaged stonework, due to a lack of evidence about the cause of that damage.

Although some of the windows and doors are a few millimetres too short, I don't think that means that they all need to be replaced; this would be disproportionate. It will be sufficient to ensure that any gaps are properly closed and sealed with appropriate trim. A draught excluder can be fitted to the door.

I have seen Mrs P's photos and videos of condensation on the doors and windows, and I can see that is not a trivial problem. But the reports do not say that the condensation is

because of a fault with the doors and windows, so I will not conclude that this means they all have to be replaced.

#### Other matters

I don't think there is enough evidence for me to safely conclude that the satisfaction note was forged – but even if there was, V12 would not be responsible for that if it was S who did it. However, this does not affect my conclusions about the remedial work which is required.

Finally, it is not in dispute that Mrs P did not make any payments under her loan agreement. Although I appreciate her reasons for that, it still remains the case that she was contractually obliged to make those payments and she did not do so, and V12 has an obligation to report an accurate history of the loan to the credit reference agencies. As the arrears reported on Mrs P's credit file are accurate, I cannot fault V12 for reporting them, so I don't uphold her complaint about that. (But she can ask the credit reference agencies to add a *notice of correction* to her credit file, if she wishes, in which she can explain the reason why she did not make payments.)

#### **Putting things right**

I agree with the redress proposed by the investigator. Rather than have S carry out the remedial work, I shall direct V12 to pay for a third party to do it, on receipt of a copy of their quote or invoice from Mrs P. V12 may pay this to Mrs P or to the third party directly. However, as one of the doors is to be replaced, it will be necessary for S to provide the replacement, and to collect the original door.

In addition, I will require V12 to refund Mrs P the cost of the second and third reports, with interest.

So V12 must:

1. Arrange for the supply of a replacement back door which has been appropriately sealed / glazed;
2. Upon receipt of a quote or invoice from Mrs P, cover the cost of the following works:
  - installation of the replacement back door, and collecting the old door;
  - re-sealing the bay window;
  - repair of the loose door handle on the front door;
  - filling of the open cavity with an appropriate material around all the windows and doors;
  - affix drainage caps to all the windows and doors;
  - affix a trickle vent to the bay window;
  - re-trim all the windows and doors, including remedying any damage to the mullions;
  - silicone sealing the base of all the windows;
  - readjustment of both the front and back door so they are square on the frames;

- rectify any minor damage and / or scar marks to the external part of the property for problems which are associated with the installation;
3. Refund £150, being the amount Mrs P paid for the second report, together with interest at the rate of 8% a year simple from the date of payment until the date of settlement; and
  4. Refund another £150, being the amount Mrs P paid for the third report, together with interest at the same rate from the date of payment until the date of settlement.

In order for V12 to calculate the interest in paragraphs 3 and 4, Mrs P will need to provide V12 with evidence of the dates on which she paid for the reports. But V12 does not need to wait for that evidence to pay the principal sums.

If V12 considers that it is required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mrs P how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HMRC if she is entitled to. Mrs P should refer back to V12 if she is unsure of the approach it has taken, and both parties should contact HMRC if they want to know more about the tax treatment of this portion of the compensation.

### **My final decision**

My decision is that I uphold this complaint. I order V12 Retail Finance Limited to put things right in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 28 June 2024.

Richard Wood  
**Ombudsman**