

The complaint

Miss L complains that Creation Consumer Finance Ltd failed to pay out on a claim she made to it about the quality of goods she purchased with credit it provided.

What happened

At the end of November 2023 Miss L bought a laptop. Within a few weeks she went back to the supplier to complain that there was a serious problem with the display. The supplier sent the laptop to its repairs department for review. One of its engineers concluded that the laptop was beyond repair due to physical damage, which was not covered under the manufacturer's warranty, and so refused to do anything further.

Miss L therefore contacted Creation to make a claim, which it declined, on the same basis as the retailer, namely that the fault was caused by physical damage and not an inherent design or manufacturing flaw.

Our investigator considered how Creation had acted in light of its responsibilities under Section 75 of the Consumer Credit Act 1974 ('Section 75'). However, he did not uphold the complaint and concluded, in summary, that he did not have persuasive information to show that the problem with the laptop was due to a manufacturing fault, rather than physical damage.

Miss L doesn't accept that and asked an Ombudsman to look into things.

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'm not upholding the complaint and I'll explain why.

Section 75 enables Miss L to make a claim against Creation for breach of contract or misrepresentation by the supplier of the laptop. I'm satisfied that the necessary requirements are in place for her to be able to make a claim under Section 75. So I then have to consider whether there has been a breach of contract or misrepresentation by that supplier.

The essential question for me is whether I think the evidence suggests it is more likely that the problem with the laptop has been caused by physical damage, likely whilst in Miss L's possession, or whether it is more likely due to an inherent manufacturing defect. If the latter, that would mean that there had been a breach of contract under Section 75 (because the laptop was not of satisfactory quality). Ultimately, I don't think there has been a breach of contract, and so won't be upholding this complaint. I'll explain why.

I will start by saying that this case is, in my view, particularly finely balanced, with evidence to support both of the conclusions mentioned above. I have thought very carefully about the outcome I am reaching, and will summarise the competing evidence before me.

Miss L has provided evidence showing that quite a lot of other people have experienced the

same problem with their laptops that she has with hers. I've looked at what those people have said in various fora and it is clear that they hold firm beliefs about there being an inherent manufacturing defect with these laptops. The issue has also been reported in a national newspaper. I acknowledge the relevance of that evidence to this complaint, but in this instance, I am ultimately persuaded that it is more likely than not that the problem here has been caused by physical damage.

Miss L has provided video evidence showing a clear piece of localised physical damage on the laptop screen, whilst the rest of the laptop appears to be in good order. Given that the problem she has is with the display, the location of that physical damage appears to me to be important. We have asked her about this in more detail. She says that the damage wasn't present when the problem started and she first went back to the retailer. She says that it only appeared after the laptop came back from the retailer's repair team. So I have to consider the possibility that the damage was caused by the retailer, or in transit.

We asked Miss L whether she raised concerns or a complaint with the retailer when the laptop was returned to her with damage as she describes. However, she has not given a persuasive account of her actions. She says that she left a voicemail message, but that no one responded. And that she then "...blocked..." herself there. I'm not sure what she means by that, but I would expect most people to take very clear action if a valuable item like a laptop was returned to them from a repair team with physical damage that had not been present beforehand.

So, the evidence leads me to conclude that it is more likely than not that the damage in question occurred when the laptop was in Miss L's possession. And, overall, I also think that it is reasonable for the engineers in the retailer's repair team to conclude, in this instance, that the problem has been caused by that damage, rather than an inherent problem with the manufacturing or defect present from the outset.

Although I am sorry to hear Miss L has had issues with the laptop, and I can empathise with her frustration, I don't think there is persuasive evidence here of a breach of contract by the supplier. As a result, and with Section 75 in mind, I don't think it would be fair or reasonable to conclude that Creation should refund her or facilitate a replacement.

My final decision

For the reasons I've explained, I don't uphold this complaint and Creation Consumer Finance Ltd doesn't need to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 22 October 2024.

Siobhan McBride
Ombudsman