

## The complaint

Mr G complains about V12 Retail Finance Limited's ('V12') response to a claim he made to it.

## What happened

The parties are familiar with the background of this complaint – so I will only summarise it briefly here. It reflects my informal remit.

Mr G purchased some flooring from a retailer ('the supplier') using a fixed loan from V12. However, Mr G was unhappy with the quality of the flooring, including the size tolerances and finish.

Mr G was unable to resolve the matter with the supplier – and made a claim to V12 in January 2023. V12 looked into things under Section 75 of the Consumer Credit Act 1974 ('Section 75'). During the claim Mr G accepted an offer of £1,800 from the supplier.

Mr G has complained to this service that this resolution is not acceptable and he wants more compensation. He is also unhappy with the way V12 handled the claim more generally.

Our investigator did not uphold the complaint so it has come to me to make a final decision. I issued a provisional decision which said:

*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.*

*I am sorry to hear about the issues Mr G has described with the flooring. However, it is important to note that V12 is not the supplier of flooring. So in order to decide if it has acted fairly I need to consider its role as a provider of financial services only. I note that Mr G used a fixed sum loan from V12 to pay for the flooring. And with this in mind I consider the protection of Section 75 to be particularly relevant as to how V12 could reasonably assist Mr G. It is this I have focused on when determining what is fair and reasonable.*

*Via Section 75 Mr G is able to make a 'like claim' against V12 for alleged misrepresentation and/or breach of contract by the supplier he paid using the loan.*

*There are certain requirements for a valid Section 75 claim – including those relating to the parties to the contract and the cash price of the goods or services. V12 has not disputed these requirements and I don't see any issue with them here.*

*It is important to underline here that the Section 75 claim Mr G has against V12 mirrors the claim he has against the supplier. It is a 'like claim' in law. Usually I would go on to consider the nature of any alleged breach of contract – considering the requirements of the Consumer Rights Act 2015 that goods are of satisfactory quality and/or services are provided with reasonable care and skill. However, I note that during the claim with V12 Mr G accepted a*

settlement from the supplier in respect of all the allegations relating to the non-conformity of the goods.

I note that leading up to the settlement in March 2023 V12 sends Mr G a message that says:

*'[the supplier] have also increased their offer in full and final settlement to £1,750'*

Mr G had said:

*'we would welcome an increased offer from [the supplier] to aim towards drawing a close to the matter'*

*The supplier then makes an increased offer of £1,800. It makes it clear this offer is 'Final', and although it says it is confident the offer would be considered fair should Mr G wish to take matters further, I don't consider it acted in such a way as to put Mr G under undue pressure to accept. I think he could have fairly decided to refuse it and continue his claim against V12 or take the supplier to court.*

*I note that Mr G writes back to the supplier to say he has spoken to his partner and will accept £1,800 and 'draw a close to the matter'. The supplier then pays Mr G the settlement.*

*To me it is clear that the settlement terms provide finality for both parties in respect of the subject matter of Mr G's claim against the supplier. Which means any 'like claim' in respect of the alleged misrepresentation and/or breach of contract by the supplier against V12 (via Section 75) falls away. Therefore, I am unable to fairly direct V12 to pay further losses (if I concluded there were any) because the claim has now been settled.*

*It is worth noting, in any event, if Mr G had not accepted a the offer in full and final settlement I don't think it would have been reasonably clear to V12 that there was an outstanding breach of contract to remedy here. I say this because it appears the supplier alleges that Mr G's fitter had made things worse by laying products that had been identified as unsuitable. It said that it had offered to replace unsuitable items and pay some compensation from the outset.*

*There is a debate over what was said over the phone by the supplier to Mr G but it appears accepted that the supplier did warn the fitter about continuing to lay the floor. And ultimately, Mr G employed a professional fitter who has to carry out the role with reasonable care and skill in choosing what boards to install and how to fit these. This is a factor impacting V12's liability as it is not liable for any potential breach of contract by the fitter that might have contributed to any claimed losses. Furthermore, there is a lack of independent expert evidence establishing the extent of the quality issues with the goods, addressing potential contributory factors around the fitting, and substantiating the value of Mr G's claim against the supplier (and V12) beyond the £1,800 paid to date (I note Mr G said the supplier didn't go ahead with an inspection but this would not have prevented Mr G from obtaining one if he wished).*

*All things considered, I don't consider V12 is liable to or (in any event) needs to fairly pay Mr G more in respect of the alleged breach of contract in respect of the quality of the goods.*

*Customer service issues*

*V12 has indicated that Mr G did not complain to it specifically about delays in handling the claim. But Mr G's complaint to V12 is about the claim he made to it and in his correspondence with V12 during the claim he expresses dissatisfaction with the time things are taking/the communication from V12. So I think this is fairly part of his complaint here.*

Overall, I can see that from when Mr G raised his claim with V12 to when he accepted the full and final settlement from the supplier (and V12 drew the claim to a close) was about 4 months. This is not a quick turnaround but I also have to consider it in context of the nature of the dispute. This is a high value and complex dispute about construction materials. Furthermore, there was no clear admission of liability from the supplier – or an expert report to clarify things to V12 from the outset. Certain points were in contention and the supplier was not necessarily quick to respond with certain information which Mr G thought was relevant.

I can see that V12 attempted to assist Mr G with acting as a go between for his subject data access requests to the supplier – but there was only so much it could fairly do in respect of these things as the finance provider. And for clarity V12 are not liable for the supplier's failure to supply information in response to data requests – they are only liable insofar as Section 75 makes them for breach of contract or misrepresentation specifically.

I can see V12 appeared to be in fairly regular contact with the supplier during the claim to investigate and establish what had gone wrong – and in doing so appeared to catalyse an eventual settlement which Mr G accepted.

I don't think that V12's communication was perfect here and there do appear to be some periods of delay which could have been avoided. For example, there were times it didn't respond immediately to Mr G's request for updates and appeared not to be as pro-active in directly contacting the supplier to find out what was happening. I can see where Mr G has to chase it at certain points which frustrated him. However, overall, V12 appears to have kept in fairly regular contact with Mr G and also at one point sent a holding letter to reassure him an investigation was ongoing, apologising for a delay and thanking him for his patience.

I do think V12 were not clear with Mr G about the difference between a Section 75 claim and a complaint. There is no specific timeframe laid down for handling a Section 75 claim (noting the FCA expects these will be dealt with in a reasonable timeframe). But at an early stage it was referring to 'eight weeks' which is the timeframe for complaint handling (for example a complaint about the outcome of the claim/claim handling) – which was not relevant at this point as V12 were investigating a claim. I think this lack of clarity from V12 has led Mr G to have different expectations about how long things could take which has clearly frustrated him.

So I think there were some service failings here from V12 in its claim handling. But overall, in the context of what happened here, I don't consider these to be significant. I have looked at our scale of awards for distress and inconvenience and in doing so I think that V12 has caused Mr G a level of additional annoyance and frustration that was avoidable and an award of £100 is sufficient and fair.

I know Mr G wants significantly more money from V12 as part of his complaint – but I remind him that my role here is an informal one. He is free not to accept my decision and (in conjunction with appropriate legal advice) consider any other actions he might wish to take in respect of his dispute.

### **My provisional decision**

*I uphold this complaint in part and direct V12 Retail Finance Limited to pay Mr G £100 in compensation.*

I asked the parties to respond. V12 accepted my findings. Mr G said:

- He wanted to clarify there were two fitters involved, the first was affiliated with the supplier and was allegedly told to not fit the floor (which he does not accept); and
- he appointed an expert fitter afterwards, which was not affiliated with the supplier.

### **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.

Neither party has given me cause to change my provisional findings – which I still consider fair for the reasons already given (above). These findings now form my final decision alongside the points below:

I note Mr G has clarified the situation regarding the fitters. However, I don't think that changes things here. Even if the first fitter worked with or was recommended by the supplier the fitting was not funded by V12 so it isn't liable for any alleged wrongdoing of said fitter. Furthermore, regardless of the contention over what was said on the phone to the first fitter, or the fact that Mr G employed more than one fitter the following from my provisional findings still stands (except relating to more than one fitter):

*'...ultimately, Mr G employed a professional fitter who has to carry out the role with reasonable care and skill in choosing what boards to install and how to fit these. This is a factor impacting V12's liability as it is not liable for any potential breach of contract by the fitter that might have contributed to any claimed losses. Furthermore, there is a lack of independent expert evidence establishing the extent of the quality issues with the goods, addressing potential contributory factors around the fitting, and substantiating the value of Mr G's claim against the supplier (and V12) beyond the £1,800 paid to date (I note Mr G said the supplier didn't go ahead with an inspection but this would not have prevented Mr G from obtaining one if he wished).'*

It is also worth underlining that all of the finer points regarding the responsibility of the supplier vs those of the fitters fall away in any event due to my findings on the full and final settlement which Mr G accepted. This means the Section 75 claim against V12 effectively falls away.

### **Putting things right**

V12 should pay the compensation for its customer service as directed below.

### **My final decision**

I uphold this complaint in part and direct V12 Retail Finance Limited to pay Mr G £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 July 2024.

Mark Lancod  
**Ombudsman**