

The complaint

Mr R complains about the decision by Sainsbury's Bank Plc ("Sainsbury's") to decline his Section 75 claim for some damaged flooring. He wants Sainsbury's to refund him for the flooring he purchased.

What happened

In Summer 2022, Mr R purchased flooring tiles from a merchant. These were large tiles with the appearance of laminate flooring with a pattern.

He used his Sainsbury's credit card to buy the tiles, and the corresponding underlay, for £1353.16.

Around 2 weeks later, Mr R bought some more of the tiles for a further £101.13. The packaging on the tiles detailed that they had a warranty of 35 years for domestic use, and 5 years commercial use in kitchens and bathrooms.

Mr R had the tiles fitted by a third-party contractor.

Around December 2022, Mr R began noticing chips in the flooring. Mr R raised this with the merchant and the merchant sent an assessor to look at the flooring in his home. They prepared a report but did not share this with Mr R.

In February 2023, Mr R raised a dispute with Sainsbury's under section 75, arguing that the flooring was not fit for purpose.

Sainsbury's took action to stop interest on the disputed transaction and requested evidence from Mr R. Mr R provided evidence of the damage.

Mr R chased progress of the claim and Sainsbury's provided an update in August 2023. It acknowledged delays and paid Mr R £100 to reflect these.

In September 2023, Sainsbury's provided its decision on the section 75 claim. It declined this stating that there wasn't enough evidence to show a misrepresentation or breach of contract had occurred.

Mr R disputed this decision and Sainsbury's advised him that he could obtain an independent report on the flooring. Mr R has not been able to source an independent assessment as he was quoted a disproportionately high cost.

Sainsbury's requested the merchant to provide its report, but this was not provided.

Sainsbury's maintained its decision to decline in November 2023. Sainsbury's offered a further £50 to reflect further delays in claim handling.

Mr R was unhappy and contacted us. He feels that the floor has inherent defects and should be refunded. The merchant has, since the purchase, gone into administration and been acquired by another business and Mr R is unable to pursue a refund with the successor

business.

One of our investigators looked into this matter and recommended that Mr R's complaint be partially upheld. They considered that there was evidence to support that there were inherent faults in the flooring. They considered that these affected a proportion of the floor only that the appropriate resolution was a reduction in price, of 30% of the costs Mr R paid for the flooring tiles.

Neither Mr R nor Sainsbury's accepted that view. Sainsbury's maintains that there is not evidence of a breach of contract, and Mr R argues that the full floor should be refunded as the whole thing will need to be replaced.

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.

My colleague has set out our approach and expectations in respect of both chargeback and section 75 claims previously and I will not repeat those approaches here. I am satisfied that the creditor, debtor, supplier relationship exists here and that the criteria were met for consideration of a section 75 claim.

I agree with my colleague's conclusion in respect of chargeback, that the time limits had passed and so chargeback was not available for this claim. I have therefore considered whether Sainsbury's reached a reasonable decision in respect of the section 75 claim.

My colleague considered that the damage to the tiles was inconsistent with the warranty on the tiles and with the durability rating that the tiles had, indicating them to be very hard wearing. My colleague considered that, given how quickly the damage manifested, that it was likely that there was a manufacturing fault in the tiles at the time of purchase, and that there likely was a breach of contract based on the fitness for purpose of the tiles.

I agree with much of my colleague's view. I have reviewed the photographs of the damage and it appears to me that there are signs of wear and tear damage, which ought not to have manifested within so short a time since the tiles were laid.

However, I also consider that some of the photographs show what appears to be impact damage or scratches, which are not evidence of an inherent issue with the tiles.

In the absence of an expert opinion on the overall quality of the tiles, I agree with my colleague's assessment that it is more likely than not that some of the damage was unacceptable damage for wear and tear and would constitute a breach of contract due to quality. I do not, however, accept that all of the damage which occurred is evidence of poor quality.

Overall, I agree that a fair and reasonable way for Sainsbury's to put matters right is to pay the reduction in price suggested by my colleague. This is imprecise, but I agree that a 30% refund of the price paid for the tiles would be fair and reasonable in the circumstances.

My colleague also assessed Sainsbury's offer of compensation to reflect the delays and considered this reasonable. I agree that the compensation offered is reasonable and in line with other awards this service would make for similar delays.

I therefore agree with the investigator's conclusions and uphold Mr R's complaint.

Putting things right

In order to put matters right, Sainsbury's should refund to Mr R 30% of the price paid for the flooring tiles (across both the July and August 2022 purchases).

Sainsbury's should also add interest to this refunded amount at the rate of 8% per annum from 22 September 2023 up until the date of settlement.

If any part of the compensation Sainsbury's offered for its delays remains unpaid, then Sainsbury's should pay this, so that the compensation paid totals £150.

My final decision

For the reasons given above, I uphold Mr R's complaint and direct Sainsbury's Bank Plc to:

- Refund to Mr R 30% of the purchase price of the tiles;
- To add to the above sum interest at a rate of 8% per annum from 22 September 2023 up until date of settlement; and
- To pay to Mr R a total of £150 compensation to reflect delays in the claim handling

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 February 2025.

Laura Garvin-Smith
Ombudsman