

The complaint

Mrs B complains that Creation Consumer Finance Ltd won't refund her for a kitchen installation.

What happened

In March 2021 Mrs B used finance from Creation Consumer Finance Ltd to pay for the supply and installation of a kitchen by a supplier. Mrs B had to pay over £7600 to Creation to cover the cost of the kitchen and the lending over a period of just over six years. Mrs B says that from the outset there were problems with the kitchen and she repeatedly to call out the suppliers to deal with issues with the kitchen. After a significant period of time she says she was fed up with this and so she complained to Creation in February 2022. There was more back and forth and in May 2022 the supplier attended and fixed a number of items that Mrs B wasn't happy with. Similarly in June 2022 further items were remedied by the Supplier. Mrs B accepts that she signed off the repairs had been successful.

In August 2023 she again contacted the supplier about issues she said she had with the kitchen only to be informed that it was going into administration and could no longer help her. So she returned to Creation for help with further issues.

Since then there has been further back and forth. Creation initially said that all the issues had been remedied by the supplier and it wasn't persuaded it didn't need to do any more. So that's why it didn't refund her.

Mrs B didn't think this was fair, so she brought her complaint to our service. Our investigator looked into the matter. There was then further back and forth between the parties. The end position here was that Creation agreed to our Investigator's position of partially upholding the complaint and the remedy of fixing some of the items identified and paying Mrs B £100. Mrs B didn't agree. So the complaint has been passed to me to decide.

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.

I should make very clear that this decision is not about the kitchen supplier here, which isn't a financial services provider and doesn't fall within my remit. Whatever the issues there maybe with the kitchen, and just because Mrs B says she has lost out, it doesn't necessarily follow that Creation has treated Mrs B unfairly or that it should refund her. And this decision is solely about how Creation treated Mrs B. I hope this point is clear.

The Consumer Credit Act 1974 (the 'CCA' for short)

The CCA introduced a regime of connected lender liability under Section 75 of the CCA that afforded consumers ("debtors") a right of recourse against lenders ("creditors") that provide the finance for the acquisition of goods or services from a third-party merchant (the "supplier").

A business such as Creation can only be held responsible under S75 of the CCA if certain requirements are met *and* if there is breach of contract or misrepresentation of the contract and if there is that it also means that Mrs B has lost out as a result. Here I'm satisfied the financial limits and Debtor Creditor Supplier requirements are met. So I next need to consider whether there is either a material misrepresentation or a breach of contract.

In essence Mrs B's frustration with the kitchen is that she feels it's made up of 'sub-standard' materials and wasn't installed well.

The Consumer Rights Act 2015 sets out the tests to be applied in contracts such as this. In short this include that services should be provided with reasonable skill and care and that goods should be of satisfactory quality. In short it goes on to say a good is of satisfactory quality if they meet the standard that a reasonable person would consider satisfactory, taking account of any description of the goods, the price for the goods, and all the other relevant circumstances. It also goes on to explain in very broad terms that the appropriate remedy for goods or services include rejection, repair, or replace or price reduction and gives guidance for when these are and aren't appropriate.

It is clear here that when Mrs B first complained to Creation she identified issues and the supplier rectified these. I say this because Mrs B accepts that she signed of the repair works and Creation has pointed to this fact. So she was satisfied the issues she said were outstanding were rectified. So I'm satisfied what Creation did at that time regarding getting the suppliers to fix those issues and replace the kitchen items or fix them meant that Creation had fulfilled its obligations to that point.

Recently Mrs B has made further representations showing what she considers to be substantial issues with the quality of the kitchen. She has provided photographs of these issues recently which have been reproduced in the investigators assessment of Mrs B's complaint which was shared with the parties on 12 June 2024. In that assessment the investigator deals with the identified issues under points 1-9. So as to avoid confusion I shall comment on those points also and to ensure consistency. But before I do, I do have some broader comments to make.

I've considered all the evidence Mrs B has provided including the photographs. The photographs to my mind do not show substantial issues with this kitchen. In fact although these are close-up photographs (often with a finger pointing to the issue) it is the case on some photographs that it is only by increasing the resolution of the photograph is any issue apparent and there is a photograph where no apparent issue is present. I should also note that some of the issues pointed to are significantly smaller than the finger pointing to it which is in close proximity to it. I should also add that this kitchen was installed over three years ago. And even considering the evidence from the earliest date in this long running dispute and the earliest photographs I've not seen anything to show any substantial issue to my mind other than those identified by the Investigator and which Creation have agreed to remedy.

There are two important factors I have to consider when assessing such information. Is the evidence persuasive of the kitchen not being installed with reasonable care and skill and whether the kitchen items were of satisfactory quality, which includes description and price. Mrs B has explained how much she paid for the goods and installation and for a kitchen this is not a high priced kitchen to my mind but a more modest costing of goods and installation. And I think that's a reasonable consideration here.

I've also considered whether the issues Mrs B points to demonstrate that these issues were present at the point of sale, which I would have to decide that in order to decide that

remedies other than repair or replace were fair. But I am not persuaded that Creation has been unfair in its consideration of what happened here and I say this for two main reasons. Firstly Mrs B accepts she agreed the repairs she asked Creation for were done and that she was happy everything had been resolved and this was a significant time after the installation. And secondly the issues she has pointed to subsequently are far from indicative that these issues were present at the point of installation. Creation has pointed to usage and that these issues are fair wear and tear (save for the items identified by the Investigator and agreed to be remedied by Creation. And bearing in mind Mrs B's recent photographs show only minor issues (to my mind) which could just as easily have occurred over the intervening years through normal usage, I am far from persuaded that Mrs B has done enough to demonstrate that Creation has treated her unfairly in this respect.

It is clear the kitchen wasn't in line with her expectations, nevertheless such expectations are subjective matters and bearing in mind the relevant circumstances here I don't think Creation's position is unfair. I do not consider Mrs B's arguments about 'not of acceptable quality' to be made out. Clearly the kitchen wasn't in line with Mrs B's expectations but that isn't the test Creation need to apply. Creation's responsibility here is to remedy matters arising and I can see they did this and Mrs B agreed they had been remedied. And I'm not persuaded Mrs B has been treated unfairly by Creation here particularly when it has also agreed to organise some further repairs and payment to the issues identified after Mrs B signed off the original repairs when Creation got involved.

In response to the Investigator's assessment on the matter Mrs B has said "*I have maintained right from the beginning the doors and draws in my kitchen are of substandard materials. You have totally overlooked this fact.*" I disagree, it's clear that those were repaired or replaced and that Mrs B agreed there were no further issues. Creation did what it was supposed to do and those items Mrs B complained about were either remedied by the supplier originally or by the supplier at the behest of Creation when it got involved. I consider that a fair remedy in the round.

It is clear to me that Mrs B is very invested in this dispute and I'm sorry to disappoint her but in relation to the kitchen but I'm not persuaded Creation has to do more than what has so far been done or agreed. I do appreciate that this isn't the decision Mrs B wants to read and the kitchen isn't up to her expectations. But I'm not persuaded Creation should replace the kitchen as she wants. Nevertheless I'm sorry to hear about what happened and that she's disappointed with her kitchen.

Putting things right

Creation should organise and pay for a workman to fix the hinges referred to in points 1,5 and 6 of the Investigator's assessment (as it has agreed to do). It should also pay Mrs B the agreed £100 if it hasn't already done so. Once these issues have been done it has nothing further to do.

My final decision

For the reasons set out above, I uphold the complaint against Creation Consumer Finance Ltd. It should remedy the matters as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 August 2024.

Rod Glyn-Thomas
Ombudsman

