

## **The complaint**

Miss M complains that Healthcare Finance Limited (“HFL”) failed to pay out on a claim she made to it about the failure of a supplier to deliver the dental treatment which she paid for with credit it provided.

## **What happened**

In October 2023 Miss M entered into a 25-month fixed sum loan agreement with HFL to fund the provision of dental aligners from a third-party supplier to straighten her teeth. It was expected that the treatment would last for between four and six months.

Miss M finished using the aligners she had been sent in February 2024, but was not happy with the results of the treatment. However, as the supplier went into administration in December 2023, she was unable to get any further treatment, in the form of ‘touch up aligners’.

In February 2024, Miss M therefore contacted HFL to make a claim, saying the loan ought to be cancelled, which it considered as a potential breach of contract under Section 75 of the Consumer Credit Act 1974 (‘Section 75’). In its response to Miss M, HFL invited her to provide further information and all the unused aligners so that it could consider a partial refund of the treatment costs. Unhappy with that response, and noting that she had used all the aligners, Miss M brought a complaint to us.

Our investigator considered how HFL had acted in light of its responsibilities under Section 75. Following our involvement, HFL accepted that Miss M had suffered a loss and refunded her what it said was the value of one set of touch up aligners, which it considered would have been provided by the supplier, and to which Miss M had a contractual right. This was in the amount of £220. Our investigator concluded that HFL’s offer was fair and it was not unreasonable of it to decline to refund any further costs.

Miss M 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.

Section 75 enables Miss M to make a claim against HFL for breach of contract by the supplier of the goods/service in question. Certain criteria apply to Section 75 in respect of things like the cost of the goods or services and the parties to the agreement. I am satisfied there are no concerns in respect of these criteria, and indeed HFL has accepted Miss M’s claim in this regard. So I have moved on to consider if there is persuasive evidence of a breach of contract or misrepresentation by the supplier that means HFL should have offered more than it has when handling Miss M’s claim.

But I want to explain from the outset that I can only consider Miss M’s complaint on that narrow basis – i.e. whether it was fair and reasonable for HFL to respond to her claim by

offering what it did. I cannot hold it responsible for Miss M's experience with the supplier or her feelings about the treatment. HFL simply has a legal duty to consider whether she has a valid claim under Section 75 and to respond fairly to that claim if so. I am clear that HFL has not, "...breached the loan contract agreement..." The potential breach under consideration is the supplier's, and HFL's consideration of that.

Miss M's concerns are that she didn't receive the full package of treatment she paid for, notably support and reviews from dentists, customer service, a lifetime guarantee, and retainers at the end of treatment. She has also complained about wobbly teeth and cuts in her mouth caused by the aligners. So, as she expects to have access to all the services she signed a contract for, it is unfair for her to have to pay the loan back.

In cases such as this it is often complex to assess the quality of the service Miss M paid for. Results from such treatments are, of course, subject to many variables and there are generally disclaimers by the providers of such services, and accepted risks that results simply cannot be guaranteed. I, of course, am not a dental expert. And Miss M has not provided an independent, expert opinion that sets out that the treatment she paid for has not been done with reasonable 'care and skill', as implied by the Consumer Rights Act 2015 ('CRA'). It is that, rather than the *results* of the treatment, that is the crucial issue for me in considering whether it was fair and reasonable for HFL to respond to her claim as it did.

But I need to consider what I think Miss M's contract with the supplier agreed to provide in terms of treatment. In that way, I can determine whether there has been a breach of an explicit term of it. I don't have a contract signed by Miss M as I understand they were housed in an online application which no longer holds that content since the supplier went into administration. However, HFL has been able to provide a sample document called a "*Consent and History Form*". This document is not dated, but is noted to be 'v3.7'. HFL says it would have been in use at the time that Miss M commenced her treatment in 2023. Where there are evidential uncertainties, as here, it is my role to determine what I think is more likely than not to have happened, or been the case.

In the absence of anything else, I think it is more likely than not that Miss M would have been provided with a document sufficiently similar in layout and content to the sample I have for me to be able to rely on it. So I have considered the content of it carefully.

There are two particularly relevant sections in the document to Miss M's complaint. The first is one called, "*Discomfort*", which says:

*"Your mouth is sensitive so you can expect an adjustment period and some minor discomfort...You may also experience gum, cheek or lip irritation..."*

It goes on to say in the final section before Miss M was required to sign that:

*"I understand that [the supplier] cannot guarantee any specific results or outcomes."*

So I'm satisfied the supplier never said that she wouldn't experience any oral irritation or that it could guarantee her satisfaction with the results of the treatment. That means I don't find a breach of any explicit terms of the contract between Miss M and the supplier in terms of her two primary concerns – that is, the discomfort, and the results of the aligners.

As set out above, the CRA says that there are also implied terms of contracts – not everything has to be fully spelled out. In this scenario, the implied terms of this contract are that the supplier would provide the service Miss M paid for with reasonable care and skill. I've already set out why I don't have the evidence to reach a conclusion that it didn't.

However, there are further points for me to consider. Clearly, Miss M did not receive support from the supplier by way of customer service when she reached out, or monitoring of the progress of the core treatment. To be clear, I do not consider those aspects of the service to constitute the core of the contract, or their absence to amount to a breach of that contract which would lead to the refund that Miss M is seeking.

The issues Miss M has raised are in no way unique, and in my experience of these cases, the supplier would have most likely told her to persevere with the core set of aligners, regardless of discomfort, and that she could contact it if she wasn't happy with the results at the end of that period. As Miss M herself has highlighted, when she was shown a virtual 3D scan of the potential promising results by the supplier, she was:

*"...reassured,,,that if those results were not achieved as part of the LSG plan customers could continue their treatment and additional aligners would be supplied at no extra cost..."*

This is quite correct. And indeed HFL's position is that Miss M was eligible to be covered by the supplier's lifetime guarantee scheme (the "LSG") although she had not bought retainers. However, given that Miss M had not finished that core treatment by the time the supplier went into administration, and so could not have bought retainers in any event, I think that position is fair and reasonable and is what I would expect from HFL in these particular circumstances.

What the LSG offered was the *possibility* of having aligner touch-ups every year, provided that Miss M carried on buying retainers (as an aside, these would always have been at additional cost, and were not part of what Miss M paid for using this loan from HFL), and that a dentist approved the provision of the touch-up aligners. My understanding is that a dentist would only do so if s/he assessed that further progress to straighten the teeth would be possible through a touch-up aligner.

Because it included her in the group of customers that were eligible for that guarantee, HFL identified that Miss M had lost out as the supplier was no longer trading and could not provide her with a touch-up aligner at the end of her core treatment. So it offered the value of a touch-up aligner to Miss M – namely £220. As that is what the supplier would likely have also had to do as part of the contract.

But Miss M thinks she should be provided with almost a full refund of the treatment costs, which is what cancelling the loan from the point that the supplier went into administration, would achieve. I have set out why I don't find that there has been a breach of an explicit contract term in respect of treatment results, or indeed those terms implied in the contract. But there is a breach identifiable because Miss M cannot use the lifetime guarantee. However, given the stage of treatment she was at, that guarantee would never have given her the option of a refund of the treatment costs: full or partial. It's clear from the information I have that a refund was only available for the first 30 days after Miss M began her treatment in 2023, and only if Miss M had not opened or used the aligners. So it would not be fair or reasonable for me to tell HFL that it should now provide Miss M with a full refund, or to cancel the loan, to recompense her for the breach that has happened.

Finally, I have thought in some detail about the amount HFL has paid Miss M so far. I am satisfied that the £220 is a fair estimate of the cost of a set of touch-up aligners, as I have seen evidence provided by the supplier to HFL to confirm that. So essentially it has compensated her for the loss of one year's 'use' of the lifetime guarantee. (And that is also without her having to pay the supplier around a further £80 for each jaw for retainers.) Hypothetically, it is possible that Miss M could have requested and received a set of aligners every year for the rest of her life. Which we all hope will be many years. But that hypothetical

possibility doesn't lead me to conclude that HFL has been unfair in what it has offered.

There are many ways in which the lifetime guarantee could have ceased to be of use to Miss M. Firstly, she may not have done what she needed to in terms of continuing to buy retainers from the supplier. Perhaps more importantly, the supplier may not have approved providing her with touch-up aligners if its dentists had assessed that they would not be beneficial. The guarantee only gave the possibility of annual touch-up aligners – not the certainty that they would actually be provided. And if it had concluded that further aligners would not have helped straighten her teeth any further, HFL would not have been required under the terms of the contract to do anything else.

So taking that into account, and noting the informal remit of this service to resolve disputes, I don't find that it was unfair or unreasonable of HFL to recompense Miss M in the way that it has. Identifying exactly how many annual touch-up aligners Miss M *may* have asked for; *may* qualified for; and *may* been approved for, is pretty much impossible.

Although I am sorry to hear of Miss M's disappointment with this situation, with Section 75 in mind, I don't think it would be fair or reasonable to conclude that HFL should refund her the costs of this treatment. What it has already offered is fair and need not do anything else. If HFL has not already applied the £220 to Miss M's loan account, it should do so now.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint and what Healthcare Finance Limited has already offered is fair recompense.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 10 March 2025.

Siobhan McBride  
**Ombudsman**