

The complaint

Mr H complains Clydesdale Financial Services Limited, trading as Barclays Partner Finance (BPF) haven't fairly compensated him for issues relating to a shower room installation, financed through a "Buy Now Pay Later" (BNPL) loan.

What happened

In July 2021 Mr H arranged for a retailer I'll call Company W, to supply and fit a shower room at his property, financed through a BNPL loan with BPF. The order with Company W also suggested additional specialist works were needed, that Mr H had quoted and paid for separately.

Company W arranged for an installer (which I'll refer to as Installer A) to carry out the work, beginning in February 2022. Mr H says there were significant issues from the outset and he was unhappy with the workmanship provided by Installer A, the amount of time the installation was taking, as well as additional costs that were accruing.

As a result, Mr H complained to Company W, who arranged for another installer, I'll refer to as Installer B, to complete the shower room and repair several issues caused by Installer A. Mr H says the work to the shower room was completed around August 2022.

During this, in July 2022 Company W also offered Mr H £1,000 compensation (which was later increased to £1,500) for the delays he'd experienced and the significant time he'd been without washing facilities.

Mr H says repairs to the shower room were completed by August 2022 and following this, the BNPL loan was activated in December 2022. A 12-month promotional period meant Mr H's first payment was due in December 2023.

Mr H continued to correspond with Company W, as he remained unhappy with the resolution, the time the installation had taken and also later found a leak in a kitchen cupboard, adjacent to the shower room, that he says was a result of the poor workmanship when the installation happened.

With no resolution, Mr H contacted BPF around February 2023 to make a claim under Section 75 of The Consumer Credit Act 1974 (CCA) as he didn't consider Company W had done enough to rectify the problems he faced. In summary BPF explained as Mr H had already accepted a full and final settlement of £1,500 from Company W, they were unable to provide a full refund or cancel his existing agreement. They later added there was no evidence of the finance being taken without Mr H's consent or that signatures had been forged, as Mr H suggested.

As Mr H remained unhappy, he brought his complaint to our service. He said he'd not accepted the offer in full and final settlement, as it didn't take account of the additional costs he'd incurred, damage to his kitchen or poor living conditions, amongst other issues. While the complaint was with our service, Mr H continued to correspond with Company W about the damage caused as a result of the leak. In February 2024 Company W agreed to pay

£1,300 for the quote Mr H received to repair damage caused to the kitchen following the leak. However, Mr H decided this was no longer sufficient, rejected the offer and continued with his complaint.

An Investigator here reviewed matters, taking into account the further offer of £1,300 that had been made by Company W, and overall thought BPF had handled the section 75 claim fairly. They said the additional offer of £1,300 to repair the kitchen was fair.

Mr H didn't agree with our Investigator, in summary he said:

- He wasn't made aware he was entering into a finance agreement and raised concerns about signed completion documents.
- He didn't think the additional costs incurred were fair, nor would he have gone ahead with the work, had he known how much he'd be charged.
- Mr H also considers BPF should pay around £12,000 towards the cost of a new kitchen, as well as around £30,000 to cover the decrease in value of his property, increase in insurance premiums and overall distress and inconvenience the matter has caused.
- BPF haven't complied with several requirements under the Consumer Rights Act (CRA).

With no resolution, 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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr H's complaint in considerably less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

Mr H has been able to raise a claim against BPF under section 75, as he entered into a finance agreement to purchase his shower room. However, part of his complaint is that he wasn't made aware he was entering this agreement. As such, it's important I review this before moving on to the specifics of Mr H's complaint.

The Agreement

Mr H says he wasn't made aware he was entering a finance agreement and nor would he have done so had he known, as he had savings to repay the balance in full on completion of the work.

However, BPF have shown evidence Mr H was sent a code to his mobile number on 11 July 2021, which was then used to allow him to electronically sign the credit agreement the same day. This was also the same day he visited Company W's showroom. The mobile number BPF hold is the same Mr H gave this service, so I'm persuaded he did receive this code and shared it, in order to enter the finance agreement with BPF. This was also the same day he paid the deposit to Company W.

In this case, I haven't seen any other explanation as to why BPF would send a code to Mr H's mobile, if he wasn't expecting to enter a finance agreement with them – and I think Mr H would have also questioned this at the time, had he not expected it. I note Mr H has also told this service the only mention of a finance agreement was within the invoice price – which he says he missed at the time. Ultimately, Mr H hasn't said how he thinks he was paying for the supply and installation, if not through a finance agreement from BPF. And if he hadn't entered a finance agreement, he would be unable to bring a claim under section 75 and our service would have no jurisdiction to consider this complaint.

So I'm satisfied the information was made clear at the time and Mr H knowingly entered the agreement with BPF to finance the supply and fit of his shower room.

So I've gone on to consider Mr H's claim under section 75.

I think it would be helpful to explain, in this decision I'm only able to consider how BPF handled the dispute Mr H raised with them. I'm not able to consider the actions of Company W or the installers, as that isn't within the jurisdiction of this service for these types of complaints. That also means, unless I found that BPF had handled Mr H's claim incorrectly or unfairly, I wouldn't be able to award any compensation for the distress and inconvenience he's experienced throughout. I say this as I can appreciate this whole process has been extremely stressful for Mr H – but that isn't something BPF can be held accountable for.

Mr H has also raised concerns about the stage at which certain completion documents were signed, and by whom. However I don't think this would make a material difference to the outcome of this complaint, as ultimately he didn't start repayments until the installation was complete. As such, I don't think it's necessary to make a finding on this aspect of Mr H's complaint.

Section 75 of the CCA

When someone buys goods or services using a point of sale loan such as the one provided by BPF here, Section 75 of the CCA gives a legal right to claim against the lender in respect of breaches of contract or misrepresentations by the supplier of the goods or services, so long as certain conditions have been met.

One condition which needs to be met for section 75 to apply to a purchase is the claim must relate to an item with a cash price of over £100 and no more than £30,000. The cash price here met this condition. A further condition is that there needs to be what is known as a debtor-creditor-supplier ("DCS") agreement in place. That's also been met here.

I also need to be persuaded that there has been a breach of contract or misrepresentation. So, I've considered each of these in turn.

Misrepresentation

For the purposes of this case, a misrepresentation is a false statement of fact which induces another party into a contract which leads them to suffer a loss.

Here Mr H says he wouldn't have gone ahead with the purchase had he been aware of the additional costs he was required to pay. Effectively, the price was misrepresented to him.

Having reviewed the order confirmation from Company W, costings were broken down, excluding specialist works:

- Installation Order (Excluding Specialist Works): £4,733

The order confirmation then went on to list an estimated price for additional specialist work that may be needed. The document also said:

“The below costs are provided as a guide only and are designed to give you a non binding indication of the type of specialist works that may be required. The actual scope and costs of the specialist works will be dependant on the condition of your current electric, gas, plumbing and extra items required.”

The order confirmation is dated 11 July 2021, and details a breakdown of the order. I’m satisfied Mr H would have more than likely seen this when he paid the deposit in store. As such I think it was made clear when Mr H entered the agreement that additional costs may be incurred, so I can’t agree this was misrepresented to him at the time.

Turning now to the amount of the additional costs - Mr H has raised concerns about this too, saying these represent a breach of the CRA. However, BPF haven’t acted unfairly by not considering these. I say this because, as explained the order confirmation clearly states the installation price excludes specialist works. And the total cost listed to be financed (£6,760.10) matches that of the credit agreement Mr H holds with BPF and is the total of the products and installation price (excluding specialist works). This shows the specialist works did not form part of the contract he entered with BPF and as such means BPF cannot be held responsible for these costs or the way in which they were presented to Mr H. And everything I’ve seen from BPF in relation to his finance agreement with them clearly set out the known total cost he would incur. So, while he may be unhappy with the amount he was charged, this isn’t the responsibility of BPF, so it’s fair they’ve not gone on to consider whether these costs were misrepresented to Mr H.

I also don’t agree this represents a breach of the CRA, as Mr H says. Mr H has referred to several clauses in the CRA he says meant all prices should have been disclosed. But the order confirmation Mr H received from Company W gave an estimated price for specialist work, and only later were quotes provided by the third-party installers and as such didn’t form part of the contract with BPF – so isn’t something they can be held responsible for.

In summary, I don’t consider Mr H should receive further compensation for the additional expenses he incurred as he’s requested. These didn’t form part of the contract funded by BPF and as such they weren’t responsible, and in any event I’m not persuaded the costs were misrepresented.

Breach of Contract

A breach of contract occurs when one party to the contract fails to discharge its obligation to the other. These obligations may come about as a result of the express term of the contract, or because of terms implied by legislation.

There’s no question in this case that things have gone wrong. It’s been accepted the initial design was poor and there were problems with installation and the installation took considerably longer than it should have.

As all parties are in agreement there’s been a breach of contract in this case, what’s left for me to consider is whether BPF’s position (that the offer already made is fair), fairly resolves matters.

Resolution

To remedy a breach of contract I would expect a business to repair, replace or provide a price reduction. In this case, Mr H has confirmed the shower room has now been correctly installed. He's also received £1,500 compensation by cheque from Company W, which I understand was cashed in September 2022. And Company W agreed to pay £1,300 to put right the damage to the kitchen, which BPF consider to be a fair resolution.

Mr H doesn't consider this goes far enough to resolve matters – he says the compensation doesn't cover certain aspects of what went wrong. In addition, Mr H is claiming consequential losses, saying BPF should pay around £12,000 towards the cost of a new kitchen, as well as around £30,000 to cover the decrease in value of his property, increase in insurance premiums and overall distress and inconvenience the matter has caused. But I don't agree this is a fair resolution to his complaint, I've explained this in more detail below.

Kitchen repair

There have been a number of quotes received to repair the damage to the kitchen. Initially Company W arranged for an independent third party to inspect the damage to the kitchen, as a result of the leak. In order to put things right they recommended repairs that they said would cost no more than £400.

Mr H chose to contact another company for a quote, which he was entitled to do. They considered more work was needed, and quoted a total charge of £1,300.

Mr H put this to Company W who agreed in February 2024, as a gesture of goodwill, to cover this amount. BPF also consider this amount to be fair. And given this was the amount Mr H sourced, and gave to Company W, it seems reasonable that BPF consider this to be a fair resolution. So as Mr H has made a like claim to BPF it should pay this amount to Mr H.

This compensation hasn't been paid, as it hasn't been accepted by Mr H who now considers BPF should also pay around £12,000 towards the cost of a new kitchen – but I don't think that's reasonable.

Having considered the damage to Mr H's kitchen, it appears the leak was identified and stopped quickly by Mr H's insurance company, and as such it's unlikely damp has spread throughout the kitchen, to necessitate a kitchen replacement. The highest estimated quote has already been accepted, and offered by Company W, which BPF agree is fair, which seems more than reasonable. And as Mr H hasn't evidenced the losses he's claiming and neither assessor recommended a full replacement kitchen was needed, I see no reason to instruct BPF to make a payment for this.

As the offer of £1,300 is yet to be paid by Company W, because Mr H didn't accept it, I've thought about any impact caused by the delay. However I don't think it would be fair for me to ask BPF to pay more as a result of the delay, even if costs have increased for any reason. I say this because once Mr H received the quotes, he was aware there was a problem that needed to be repaired. Both parties have a duty to mitigate any loss, and Company W were prepared to fix this in February 2024. As I understand it, Mr H hasn't responded to Company W, or their insurers, who were handling this settlement, since April 2024. As such if the repairs now cost more as a result of any delay, that wouldn't be as a result of Company W or BPF's actions.

Property value and Insurance premiums

When water began to leak into Mr H's kitchen, he contacted his insurance company to stop the initial leak. Mr H says his insurance premiums have increased as a result. While he's provided evidence the insurance company visited and stopped the leak, I'd need to be

persuaded that their visit to his property in May 2023 was the sole reason for this increase, and I haven't been. Company W have agreed to pay £1,300 to put right the damage, caused by the leak, so I've seen no reason Mr H would need to make a further claim to his insurance company to cover the full cost of this repair in any case.

Mr H hasn't provided any evidence his property has devalued following the shower room installation, but has claimed that's it's done so. And as above, I'd need to be persuaded that not only was this the sole reason for any devaluation – but also that he'd been impacted by any possible devaluation. I've seen nothing to suggest Mr H was in the process of selling his property, or that the property has devalued, so it wouldn't be fair to ask BPF to pay anything in relation to this.

Impact to Mr H's health

I'm very sorry to hear of the impact this has had on Mr H. He says the situation has caused him and his wife a significant amount of stress and it's impacted his health. He considers BPF should pay £10,000 for the impact it's had on his health. When considering impacts such as this, I'd need to be persuaded that any ill-health was caused by BPF. And while I can appreciate it would have been a particularly difficult time for Mr H, in bringing a claim he must support his case with evidence. And although Mr H has shown medical evidence of ill-health, he's not provided any persuasive evidence that BPF caused this. So I don't think it would be fair for BPF to do anything more on this issue.

Overall compensation

I've considered the overall impact to Mr H. While I understand this has been stressful for him and several issues have occurred across a long period of time, I've also taken into account the remedial work to the shower room has been completed and that Company W offered to pay £1,300 to repair the kitchen – which BPF consider fair. It's also important to note that under section 75, BPF is only responsible for any damage caused as a result of a breach of contract or misrepresentation. As I've explained, I don't think there has been any misrepresentation in this case, so I won't be asking BPF to make an award for that. And while I've found there has been a breach of contract – the remedial work has already taken place to the shower room and Company W agreed to pay £1,300 to repair the damage caused to the kitchen – which BPF considers fair and I think is reasonable. Additionally Mr H has received £1,500 which I understand takes into account the distress and inconvenience he was caused, but as I don't agree BPF have made any errors in how they've handled Mr H's section 75 claim, it follows that it wouldn't be fair to ask them to pay more than £1,300.

With regard to the issues for which Mr H has already been paid £1,500 it's my position that BPF doesn't have to do anything more in this regard. That's because I think the amount paid already fairly resolves those issues. And accordingly whether or not it was accepted in full and final settlement is immaterial.

I only have jurisdiction here to consider Mr H's complaint about how BPF considered the claim he made to them. I have no power over Company W. BPF has said it doesn't have to do more here but that's not right as it hasn't treated him fairly because they've not completed the repairs they are obliged to do, or even offered to do so. So it's my decision that BPF must pay Mr H the £1,300 to repair the kitchen.

My final decision

For the reasons I've explained above, I uphold Mr H's complaint and direct Clydesdale Financial Services Limited, trading as Barclays Partner Finance to pay Mr H £1300 to resolve matters.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 31 March 2025.

Victoria Cheyne
Ombudsman