

The complaint and what happened

Mr U complains that Project Solar UK Ltd didn't properly broker a credit agreement for him. He says that this led to him being liable to pay the debt for ten years, which he didn't want.

I've included relevant sections of my provisional decision from October 2024, which form part of this final decision. In my provisional decision I set out the reasons why I was planning to uphold this complaint. In brief that was because I thought that Project Solar hadn't brokered this agreement properly and that its failure both to do so, and to then assist him when he complained, had caused him distress and inconvenience.

I asked both parties to let me have any more information they wanted me to consider. Mr U expressed some disappointment with the amount of compensation I planned to award, but ultimately accepted my provisional findings. Project Solar has not responded.

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.

Having done so, I'm upholding it, and I'll reiterate why, but first I've included here the relevant sections of my provisional decision:

"What happened

In August 2022 Project Solar brokered a fixed sum loan agreement with a lender to finance Mr U's purchase of solar panels for his home. The solar panel system was installed in November 2022 and so the lender contacted Mr U to set up the account and monthly payments around that time.

Mr U contacted the lender to ask who they were, and why they were asking for payment from him. They explained that they had financed the solar panel installation, and Mr U was surprised to hear that, saying he would never sign up to a money lender. Mr U raised concerns with both Project Solar and the lender. It would appear that he also didn't make some monthly repayments to the lender.

Project Solar wrote to Mr U in early January 2023 providing what it called a 'Stage 1 Complaint Response'. It said that Mr U had signed the credit agreement as brokered and that it had installed the system accordingly. It told him that the agreement with the lender could be cancelled if Mr U paid just over £15,000 cash to it for the cost of the system. Despite seemingly responding to a complaint about its role in brokering a credit agreement, it did not mention this Service, but simply asked Mr U to let it know what he wanted to do.

Mr U contacted us at the start of February 2023 after he complained to the lender about the situation, who signposted him to our Service. An investigation ensued during which it was established that it was the brokering of the agreement that Mr U was unhappy with, meaning that he asked us to pursue a complaint against Project Solar, not the lender. We confirmed the position with Project Solar at the start of May 2023.

Ultimately, in September 2023 Mr U agreed a variance to the credit agreement directly

with the lender with which he was happy. However, he remained unhappy with Project Solar's role in brokering the agreement in the first place.

The investigator looked at the evidence and thought that Project Solar probably hadn't done everything it needed to when brokering the agreement. In response, it made an offer of a gesture of goodwill to Mr U in the amount of £200. The investigator thought that was fair and put the offer to Mr U, who rejected it, saying that the months of stress and worry caused to him by Project Solar's actions merited compensation of £500. So he asked an Ombudsman to look at this complaint.

What I've provisionally 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.

Having done so, I'm currently planning to uphold it, but to award a larger payment for distress and inconvenience, and I'll explain why.

To be clear, this decision will only consider how much it is fair for Project Solar to pay Mr U in terms of distress and inconvenience. The terms of the credit agreement itself have now been altered to his satisfaction. The fact that Mr U apparently chose not to make some monthly repayments to the lender, and the possible impact that might have had on his credit file, is not Project Solar's fault. And some more recent concerns about the quality of the installation itself will need to be dealt with separately where necessary.

Project Solar is no doubt aware of its obligations under the rules and regulations in place at the time of this credit broking activity, including the Consumer Credit Sourcebook ("CONC"), so I won't repeat them here. But, as set out in CONC 2.5.3R, it was required to explain the key features of the credit agreement; take steps to satisfy itself that the agreement was unsuitable for the customer if it was recommending it; and allow the customer sufficient opportunity to consider the terms of the agreement before signing.

In the round, I think it is more likely than not that something went wrong when it arranged this agreement which ultimately meant that Project Solar did not meet all the requirements I've set out above.

Firstly, the sales representative who was dealing with Mr U has provided testimony to confirm he was aware of Mr U's health problems from the start. So I think Project Solar knew that this customer might need some additional support in the transaction it was brokering.

Mr U has said consistently, and to all parties involved, that when the sales representative first suggested a credit agreement with a ten-year term, he wasn't prepared to do that as a result of his age and health. So I think it is highly likely that the sales representative was made aware by him that he wasn't happy with those terms.

He then says that the sales representative explained in an apparently rather complicated way how he could make daily overpayments to effectively reduce that term. Exactly how the conversation went cannot be confirmed, but I can see that Mr U electronically signed the agreement setting out the terms which he has repeatedly said he was not prepared to enter into.

Mr U has also said that the document he signed electronically, presumably on a tablet, was small and difficult to read. So whether he, as an individual with certain needs, was allowed, "...sufficient opportunity to consider, the terms and conditions of a credit agreement...before entering into it" (CONC 2.5.3R (3)) is frankly in doubt in my mind.

Given Mr U's reaction when he then received a request for payment from the lender, logic dictates that he cannot have properly understood the agreement he signed. And given the repeated contact between him and Project Solar in the months it took for the installation to be arranged, and the length of the documentation completed by the sales representative at Mr U's home, logic also dictates that his lack of understanding ought to have been clear to

Project Solar. Whilst I don't know whether Project Solar undertook to recommend the credit agreement to Mr U as suitable for him or not, given his age and health conditions, I think there ought reasonably to have been questions for Project Solar around the appropriateness of the agreement's term.

In summary, the available evidence in this case leads me to conclude that Project Solar cannot have done all it should in order to meet its obligations under CONC 2.5.3R.

It was made aware of Mr U's concerns in November 2022, and admittedly did offer to cancel the agreement in early January 2023. However, when that option wasn't pursued by Mr U, I don't think it did all it could to assist him in putting things right in a timely manner. That includes not even mentioning this Service in its response to Mr U. I recognise that the letter it sent him in January 2023 is not described as a final response to Mr U's complaint. But it was aware of his vulnerabilities, and substantively answered what it acknowledged as a complaint without providing referral rights to the Ombudsman. I don't think that represents good practice in this case.

Mr U has described his extreme worry about the situation and thinking that he would have to pay a large amount of money in additional interest as a result of the term of this agreement. That persisted until September 2023 and was achieved without any intervention from Project Solar. Being aware of Mr U's circumstances, I don't think that was a fair and reasonable response to his concerns. And I don't think the £200 offered is sufficient compensation.

I acknowledge Mr U's belief that £500 would be fair compensation for the distress and inconvenience he has experienced. But ultimately I think that sum is not warranted by Project Solar's mistakes. Some of the stresses Mr U has experienced, for example being told he was in arrears by the lender and as a result finding problems with his credit file, were not Project Solar's fault. The lender made Mr U aware that he had obligations to make repayments, but he chose not to initially.

So in the round, I think £350 represents fair compensation to Mr U for the distress and inconvenience caused to him as a result of Project Solar's mistakes in brokering this agreement. In reaching that figure, I have weighed up the length of time that Mr U had to contend with the uncertainty and worry; his overall situation and known vulnerability; and the fact that I do not lay all the negative impact on him at Project Solar's door.

Putting things right

I currently plan to direct Project Solar to pay Mr U £350 compensation for the distress and inconvenience caused by its failures in brokering this credit agreement and in responding to Mr U's concerns."

As mentioned above, Mr U has not provided any further evidence in this case and has ultimately, if reluctantly, accepted my findings. Project Solar has not replied to my provisional decision at all. Therefore I have seen nothing which alters my findings as set out therein. And so it follows that I uphold this complaint.

Putting things right

In order to put things right for Mr U, Project Solar must now pay him £350 to compensate him for the distress and inconvenience caused by its failings.

My final decision

For the reasons I've explained, I uphold this complaint and direct Project Solar UK Ltd to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 28 November 2024.

Siobhan McBride
Ombudsman