

The complaint

Mr J complains about the compensation that Tesco Personal Finance plc, trading as Tesco Bank, has offered him for issues that he's had with a kitchen.

What happened

Mr J agreed to pay £22,206 for a new kitchen to be supplied and fitted at his home. He paid some of that amount to the supplier using his Tesco Bank credit card. There were some issues with the kitchen so Mr J didn't pay the retention of £1,072.50 to the supplier. He made a claim to Tesco Bank under section 75 of the Consumer Credit Act 1974 but it said that it was unable to continue with his claim without a report to verify the issues.

Mr J wasn't satisfied with its response so complained to this service. He then paid £1,320 for the kitchen to be inspected in March 2024. The inspection report said: *"I have concluded that the general quality of the kitchen units and the installation workmanship is below a level that would be expected for a project price in excess of £22,000 and that a significant amount of remedial work will be required to bring the kitchen up to an acceptable standard"*.

The report was provided to Tesco Bank and it offered to pay £22,453.50 to Mr J, which was the cost of the kitchen, less the retention, and the cost of the report. Mr J didn't accept that offer and said that Tesco Bank should also pay for the kitchen to be removed and he provided three quotes of between £5,325.60 and £5,594.40 for that work. Mr J's complaint was then considered by one of this service's investigators who recommended that Tesco Bank should refund to Mr J: £21,133.50 for the kitchen cost; the amount of one of the quotes for removal and making good; and £1,320 for the cost of the independent report; all with interest from the dates of the transactions.

Tesco Bank didn't agree with that recommendation and Mr J said that he'd be happy to settle his complaint if Tesco Bank paid half of the removal cost in advance and he'd forego any interest. Tesco Bank didn't agree to make the payment in advance. The investigator said that she didn't think that it was unreasonable for Tesco Bank to pay its portion of the kitchen removal cost after the work had been carried out.

Mr J has asked for his complaint to be considered by an ombudsman. He says that he believes that Tesco Bank has been treating him unfairly through the lifetime of his claim and keeps moving the goal posts. He says that he's done everything that it has asked and even put forward a reasonable solution to settle his claim.

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.

In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. To be able to uphold Mr J's complaint about Tesco Bank, I must be satisfied that there's been a breach of contract or misrepresentation by the

supplier and that Tesco Bank's response to his claim under section 75 wasn't fair or reasonable (but I'm not determining the outcome of Mr J's claim under section 75 as only a court would be able to do that).

Mr J made a claim to Tesco Bank in August 2023 but it said that it was unable to continue with his claim without a report to verify the issues with the kitchen. Mr J didn't provide an independent report to Tesco Bank and complained to this service. He then paid £1,320 for the kitchen to be inspected in March 2024 and the inspection report concluded that there were significant issues with it. The report was provided to Tesco Bank and it offered to pay £22,453.50 to Mr J, which was the cost of the kitchen, less the retention, and the cost of the report.

Since then there have been discussions about other compensation. Mr J claimed £540 to clean his garage of builder's debris and the cost of removing the kitchen and the investigator said that interest should be payable on the amounts to be refunded. Mr J said that he'd be happy to settle his complaint if Tesco Bank paid half of the removal cost in advance and he'd forego any interest. Tesco Bank has agreed to pay half of the removal costs but didn't agree to make the payment in advance.

I consider that it was fair and reasonable for Tesco Bank to ask Mr J to provide an independent report about the issues with the kitchen and, when it received the independent report, I consider that it was fair and reasonable for it to offer to pay £22,453.50 to Mr J. I'm not persuaded that there's enough evidence to show that there's been a breach of contract or misrepresentation by the supplier that caused Mr J's garage to need be cleaned so I don't consider that it would be fair or reasonable for me to require Tesco Bank to pay to Mr J the £540 that he's claimed for that.

I consider that it's also fair and reasonable for Tesco Bank to pay for half of the cost of removing the kitchen and that no interest be payable. The quotes of between £5,325.60 and £5,594.40 for removing the kitchen were obtained in June 2024 so the cost may have increased since then, but I'm not persuaded that it would be fair or reasonable for me to require Tesco Bank to pay its share of the removal cost until after the kitchen has been removed and after Mr J has provided it with an itemised receipt for the work that has been performed.

Putting things right

I find that there has been a breach of contract by the supplier for which Tesco Bank is jointly liable under section 75. I find that it would be fair and reasonable in these circumstances for Tesco Bank to remedy that breach of contract by paying to Mr J: £21,133.50 to reimburse him for the money that he paid for the kitchen; £1,320 to reimburse him for the cost of the independent report; and half of the cost of removing the kitchen when Mr J has provided it with an itemised receipt for the work that has been performed.

My final decision

My decision is that I uphold Mr J's complaint and I order Tesco Personal Finance plc, trading as Tesco Bank, to:

1. Pay £21,133.50 to Mr J to reimburse him for the money that he paid for the kitchen.
2. Pay £1,320 to Mr J to reimburse him for the cost of the independent report.
3. Pay to Mr J half of the cost of removing the kitchen when he has provided it with an itemised receipt for the work that has been performed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 31 December 2024.

Jarrold Hastings
Ombudsman