

The complaint

Mrs H has complained about the way Santander UK Plc (“Santander”) responded to claims she’d made under chargeback and section 75 (“s.75”) of the Consumer Credit Act 1974 (“the CCA”).

What happened

On 24 January 2023, Mrs H paid a deposit of approximately £2,700 by credit card for a solar panel system (“the system”) from a supplier I’ll call “P”. The remaining amount, approximately £8,000, was paid by a debit card, also with Santander, on 14 February 2023.

Mrs H said the system did not work. Specifically, the system was generating electricity but was not storing excess energy to use at a later date or charging the battery. Mrs H told us she was having problems getting P to respond to her requests for them to address the issues with the system.

Frustrated by the lack of response, in March 2023, Mrs H approached Santander for a refund of the deposit amount paid on her credit card. That was secured by chargeback on 21 August 2023. It appears the chargeback was successful as P did not defend the claim. And whilst Mrs H had not made a like claim for the remaining monies due under the contract, it was noted that the remaining transaction was out of time for a chargeback claim.

Mrs H told us the system was still not working at that time, August 2023. And in October 2023, Mrs H raised a request for a full refund of the full cost of the system from Santander. They investigated the matter and issued their final response letter in December 2023. They said that the initial chargeback had been successful and they would consider the remaining funds under s.75. They also awarded Mrs H £150 in view of what they called their own poor customer service.

Subsequently, Santander closed the s.75 claim as P agreed to go and fix the system. And Mrs H has confirmed that the system is now working completely and was fixed on 27 February 2024. However, Mrs H also told us the inverter is smaller than the one in the contract and could impact her if she decides to buy more panels in the future.

Mrs H was unsatisfied with Santander’s response and brought her complaint to this service in May 2024.

Mrs H’s complaint was considered by an Investigator who thought that the complaint should not be upheld. Our investigator felt there was insufficient evidence to find there had been a breach of contract. And so, we couldn’t say that Santander had acted unfairly in not upholding Mrs H’s claim. Mrs H was disappointed with that assessment.

As things weren’t resolved, 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've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

When considering what's fair and reasonable, I'm required to take into account; relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

S.75 of the CCA says that in certain circumstances, the borrower under a credit agreement has an equal right to claim against the credit provider if there's either a breach of contract or misrepresentation by the supplier of goods or services.

We can consider complaints about how credit providers have responded to section 75 claims. So, that's what I'm looking at in this decision.

In this case Mrs H has already received a refund of the deposit money through the chargeback process. But Mrs H would like a full refund. So, it is my job to see whether Mrs H is entitled to more money under s.75, than she has already received through the chargeback process.

Section 75 claims are in essence legal claims, and they have a set criteria:

- Some or all of the payment must have been made using the right form of credit (credit card, store card, or point of sale loan).
- The total cost must be greater than £100 and up to £30,000.
- There must be a valid Debtor-Creditor-Supplier (D-C-S) agreement in place.
- There must be a valid breach of contract or misrepresentation.

It is clear that the first three conditions have been met. A deposit of approximately £2,700 was made using Mrs H's credit card and this was paid directly to P, the supplier. The remaining balance was paid by debit card and was again paid directly to P.

So, I need to determine if there has been a valid breach of contract here. I have not considered misrepresentation as Mrs H has not raised this.

Having considered all of the submissions made in this case, I have reached the same conclusion as our investigator reached, and for the same reasons. I have seen insufficient evidence that there was a breach of contract. But even if I accept there was a breach initially – that's been remedied by the subsequent repair. So, I have seen insufficient evidence to find that Santander were unfair in not providing Mrs H with more redress than she has already received. I'll explain why I say that below.

Mrs H told us the system did not work after the initial install. There is little information about the nature of the failure. There is little or no documentary evidence that describes the nature of any such failure or what was done to fix it or how that impacted Mrs H. I don't have much evidence, so it's hard to reach firm conclusions.

But I am required to reach an outcome based on all the submissions made. Having considered all the submissions made in this case, I have not seen sufficient evidence that supports the idea that the non-working system was the result of work carried out with insufficient care and skill by P. Or that the parts were faulty such that Santander should have assessed the matter as a breach of contract by the supplier. When I say that I mean that I have seen no independent report from a market counter party that would identify the nature and extent of any such failure.

So, having considered all of the submissions made to me in this case, I have not seen sufficient evidence to find that P was in breach of their contract. But even if I accept there may have been a breach initially - it looks like the repair has cured it.

Mrs H told us that the system is now working completely as it was fixed on 27 February 2024. However, Mrs H told us there was a period in which the system was not working. So, should Mrs H be given redress for the time the system wasn't working? In thinking about this, I must consider that any such redress amount would have to take into account the partial refund Mrs H has already received in October 2023 of approximately £2,700. I have considered what we know about the likely financial benefits that solar panel systems can provide over a year. Having thought about that it seems most unlikely that Mrs H would have lost more in that first year than she has already received as a refund.

But to get a better understanding about this I asked Mrs H for details about the nature and extent of her losses during that period. Mrs H has been unable to provide sufficient evidence to make me think that her losses were greater than the refund she has already received. So, I cannot find that Santander have been unfair in not adding to the redress Mrs H has already received in respect of this matter.

I have also considered that Mrs H was successful in getting back her deposit money from a chargeback on her credit card. Whilst I don't need to address the details of that refund, I have gone on to consider whether the remainder of the contract price should have been treated in a similar way?

In its final response letter, Santander suggested they could have been more proactive in asking about other funds used to make the purchase of the system.

But I have listened to the calls between Mrs H and Santander from the time she raised the request for a refund. I have noted that Mrs H asked only for a refund of the deposit monies paid on her credit card. And that amount was confirmed to her at the time in the Disputed Transaction Form that Santander sent her dated 18 April 2023. That listed the only disputed transaction to be the credit card payment of the deposit money.

I have seen no evidence of Mrs H trying to raise an issue about any amount other than the deposit money until she raised her complaint in October 2023. By then the time limit that applied for making a chargeback had expired. So, I do not find Santander at fault for not processing a chargeback for the balance monies that Mrs H paid on her debit card.

I have also considered the issue of potential consequential losses in the future. I say that because Mrs H told us that whilst the system was fixed now the inverter was smaller than originally ordered. Mrs H told us that meant that the system worked well but future expansion of the number of panels was not possible. I do not know whether Mrs H had firm plans to enlarge her solar panel system in the future. Or whether any such enlargement would definitely have gone ahead, whether it was planned or not. So, I think I have seen insufficient evidence to find Santander unfair for not factoring that into their assessment of Mrs H's claim.

I have noted that Santander made a modest award to Mrs H for a failing in its customer service. That award is broadly in line with any such award I might make. So, I don't think Santander should make any further award more than it has already done.

Summary

Mrs H alleged there was a breach of contract for which she should receive a refund. But there's a lack of evidence to be able make a firm finding. It seems plausible there was an issue but there was also a repair which appears to have been effective. Therefore, any alleged breach has been remedied. And having considered all the submissions made in this case, I have found there was insufficient evidence of any further losses Santander is liable for and so no further redress is due through s.75 or chargeback.

My final decision

For the reasons given above, I think Santander UK Plc's offer is fair. It should, to the extent not done so already, pay Mrs H £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 28 May 2025.

Douglas Sayers
Ombudsman