

The complaint

Ms S has complained that Project Solar UK Ltd misled her about the financial benefits she could expect from a solar panel system it sold to her.

Ms S has been represented in bringing her complaint but, to keep things simple, I'll refer to Ms S throughout.

What happened

In August 2017 Ms S bought a solar panel system ("the system") from Project Solar using a 15-year fixed sum loan agreement it arranged through a finance provider I'll call "S". The system cost around £10,000. She paid a £100 advance payment and was due to repay the agreement with monthly repayments of around £100. The total amount payable under the agreement, with interest applied, was around £19,000 if it ran to term.

Ms S sent a letter of complaint in March 2023 alleging Project Solar misled her with regards to the financial benefits she could expect to receive from the system. She said Project Solar told her it would be self-funding within the 15-year loan term. Ms S said the system had underperformed; the benefits from the system were overstated, and the system wasn't self-funding.

Project Solar responded to say it didn't agree the benefits of the system were misrepresented. It said documentation was clear; Ms S had enough time to go through them, and that she signed a satisfaction note. It said it wasn't conceivable that the salesperson would have misled Ms S verbally while going through a presentation that showed something different. It said Ms S hadn't shown enough evidence for it to assess the savings she had or hadn't received because it hadn't seen evidence of the electricity bills from prior to the installation.

Project Solar acknowledged Ms S received significantly less through feed in tariff (FIT) payments in the first four years, but said she received a large FIT payment in 2022. It suspected incorrect readings were supplied or recorded with the FIT provider resulting in smaller payments in the first four years. It said having used the calculation from the FIT breakdown taken on 13 September 2022 (15,261.07kWh) the system had overperformed. It said if Ms S had future concerns she could contact its maintenance team. It questioned why it had taken Ms S so long to raise her complaint.

Project Solar didn't uphold the complaint. Ms S decided to refer her complaint to the Financial Ombudsman.

One of our investigators looked into things and thought Project Solar's response was broadly fair.

Ms S didn't agree, she said she did contact Project Solar about the underperformance. She also highlighted section 75 of the Consumer Credit Act 1974 ("s.75") and provisions under the Consumer Rights Act 2015 ("CRA") hadn't been considered.

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'm able to consider whether Project Solar, a credit broker, misled Ms S with regards to the financial benefits of the system. Project Solar is not a creditor in this case, so it's not liable for a like claim under s.75 for breach of contract or misrepresentation. I've taken account of what Ms S has said and I've looked at the documentation to help me decide what I think is most likely to have happened. I've been supplied several documents by the parties including the fixed sum loan agreement and solar quote titled 'Your Personal Solar Quotation'.

The fixed sum loan agreement sets out the amount being borrowed; the interest charged; the total amount payable; the term; and the contractual monthly loan repayments. I think this was set out clearly enough for Ms S to be able to understand what was required to be repaid towards the agreement.

The quote is a detailed document that sets out key information about the system, the expected performance of it, as well as the financial benefits and certain technical information. Project Solar said this formed a central part of the sales process and that the salesperson would've discussed it in detail with Ms S prior to her agreeing to enter into the contract. Given the form is signed in various places, on balance I think the salesperson did go through it with Ms S during the meeting.

The quote sets out the estimated income Ms S could expect to receive by way of FIT payments that would be paid for 20 years. This sets out the total income Ms S could expect to receive in the first year was £190.56, and that the average over 20 years would be £280.70. The quote also sets out Ms S could expect to save around £337.92 in the first year, and that with assumed rate of energy increases the average annual electricity savings over 25 years would be £841.93 – depending on the amounts used.

There's a section titled 'Putting it all together' that summarises the income and savings and when taking into account any optional extras chosen by Ms S the combined income and savings for year one is shown as £1,033.44 (which results in a monthly benefit of around £85). It also summarises the 20-year tariff income; 25-year electricity savings; savings from optional extras; cost of the system; and estimated profit. And I can see it say there's an estimated 8-year payback time. But this section applies if the system is bought outright. It doesn't include details of the interest Ms S was required to pay under the loan agreement.

There is another section titled 'Repayments' with tables showing repayments (towards credit agreements) over different terms. The relevant loan term for Ms S is set out in the table for 180 payments of around £100 (which broadly matches the loan agreement). This table shows:

180 payments of £105.74 p/m

Yr	Acc. grand total	Est. monthly return	Average monthly repayment diff.
2	£1,099.35	£91.61	£-14.13
3	£1,169.76	£97.48	£-8.26
4	£1,244.98	£103.75	£-1.99
5	£1,325.37	£110.45	£4.71
6	£1,411.28	£117.61	£11.87
7	£1,503.11	£125.26	£19.52
8	£1,601.27	£133.44	£27.70
9	£1,706.23	£142.19	£36.45
10	£1,818.46	£151.54	£45.80
11	£1,938.49	£161.54	£55.80
12	£2,066.87	£172.24	£66.50
13	£2,204.20	£183.68	£77.94
14	£2,351.11	£195.93	£90.19
15	£2,508.31	£209.03	£103.29

I think the table sets out the annual benefit; estimated monthly return; and monthly repayment difference clearly enough to show the system wouldn't initially provide enough benefits to make it self-funding. It wasn't until year 5 that the system shows there was a positive repayment difference. Ms S was required to sign under this section to show she understood.

There's another table titled 'Estimated performance over 25 years' included in the quote:

Estimated performance over 25 years

Panel degradation	Yr	Income		Elec. savings	Energy saving optional extras *					Total income savings	Acc. grand total	Est. monthly return	Ann. ROI
		Generation Tariff	Export Tariff		VO savings	Heating control	H/W controller	Battery storage	Boiler doctor				
100.0%	1	£117.78	£72.78	£337.92	£240.00	£120.96	£0.00	£0.00	£144.00	£1,033.44	£1,033.44	£86.12	10.34%
100.0%	2	£121.36	£74.99	£362.52	£257.47	£130.64	£0.00	£0.00	£152.37	£1,099.35	£2,132.79	£91.61	11.00%
100.0%	3	£125.05	£77.27	£388.91	£276.22	£141.09	£0.00	£0.00	£161.22	£1,169.76	£3,302.55	£97.48	11.70%
99.6%	4	£128.33	£79.30	£415.55	£296.32	£152.37	£0.00	£0.00	£170.59	£1,242.47	£4,545.02	£103.54	12.43%
99.2%	5	£131.71	£81.38	£444.02	£317.90	£164.56	£0.00	£0.00	£180.50	£1,320.07	£5,865.09	£110.01	13.21%
98.8%	6	£135.16	£83.53	£474.42	£341.04	£177.73	£0.00	£0.00	£190.98	£1,402.85	£7,267.94	£116.90	14.03%
98.4%	7	£138.70	£85.72	£506.90	£365.87	£191.95	£0.00	£0.00	£202.08	£1,491.22	£8,759.16	£124.27	14.92%
98.0%	8	£142.34	£87.95	£541.59	£392.50	£207.30	£0.00	£0.00	£213.82	£1,585.51	£10,344.67	£132.13	15.86%
97.6%	9	£146.07	£90.26	£578.65	£421.08	£223.89	£0.00	£0.00	£226.24	£1,686.19	£12,030.86	£140.52	16.87%
97.2%	10	£149.89	£92.62	£618.23	£451.73	£241.80	£0.00	£0.00	£239.39	£1,793.66	£13,824.52	£149.47	17.94%
96.8%	11	£153.82	£95.05	£660.51	£484.62	£261.14	£0.00	£0.00	£253.30	£1,908.43	£15,732.95	£159.04	19.09%
96.4%	12	£157.84	£97.54	£705.67	£519.90	£282.04	£0.00	£0.00	£268.01	£2,030.99	£17,763.94	£169.25	20.32%
96.0%	13	£161.96	£100.08	£753.90	£557.75	£304.60	£0.00	£0.00	£283.58	£2,161.87	£19,925.81	£180.16	21.63%
95.6%	14	£166.19	£102.69	£805.41	£598.35	£328.97	£0.00	£0.00	£300.06	£2,301.68	£22,227.48	£191.81	23.03%
95.2%	15	£170.52	£105.38	£860.43	£641.91	£355.28	£0.00	£0.00	£317.49	£2,451.01	£24,678.49	£204.25	24.52%
94.8%	16	£174.97	£108.12	£919.19	£688.64	£383.71	£0.00	£0.00	£335.94	£2,610.57	£27,289.06	£217.55	26.12%
94.4%	17	£179.53	£110.94	£981.94	£738.77	£414.40	£0.00	£0.00	£355.46	£2,781.04	£30,070.10	£231.75	27.82%
94.0%	18	£184.20	£113.82	£1,048.96	£792.56	£447.55	£0.00	£0.00	£376.11	£2,963.21	£33,033.31	£246.93	29.64%
93.6%	19	£189.00	£116.78	£1,120.54	£850.25	£483.36	£0.00	£0.00	£397.96	£3,157.89	£36,191.21	£263.16	31.59%
93.2%	20	£193.91	£119.83	£1,196.98	£912.15	£522.03	£0.00	£0.00	£421.09	£3,365.99	£39,557.19	£280.50	33.67%
91.2%	21-25	£0.00	£0.00	£7,325.91	£5,658.96	£3,307.52	£0.00	£0.00	£2,502.10	£18,794.49	£58,351.69	£313.24	37.60%
Repair/Replace						£-1,250.00			£-1,250.00				
Totals		£3,068.34	£1,896.03	£21,048.14	£15,803.99	£7,592.89	£0.00	£0.00	£6,442.29	£55,851.69	£55,851.69	Ave. ROI:	22.35%

Given I've found the credit agreement was clear enough for Ms S to have seen how much was required to be paid and over how long, if the loan ran to term, I think Ms S would have been able to see from the quote when the system would likely have produced enough benefit to have covered the cost of the system and the associated finance agreement. Ms S would have seen that if the loan ran to term, she'd be required to pay around £19,000, and that by comparing to the table above, it wouldn't have been until around year 13 that the system would have likely produced enough benefit to have covered the cost of it.

The quote also explained it used Office for National Statistics (ONS) data for 10 years (2006 – 2015) to predict what would happen going forwards. It said in reality the return could be higher or lower depending on the growth and it gave different graphs for estimated savings for different scenarios. I've not seen enough evidence to persuade me the rate it used at the time was unreasonable.

Given the quote was signed in various places, on balance, I think it likely Project Solar went through it with Ms S as part of the sales process. I've not seen enough to determine Project Solar misled Ms S with regards to the estimated financial benefits of the system.

On balance, I'm satisfied that with the two documents (the quote and the fixed sum loan agreement), Project Solar made it clear enough that although the cost of the system was around £10,000, it would cost more than this because Ms S had decided to pay for it with a loan. And I think it gave her enough information about the financial benefits of the system to help her make an informed choice when deciding whether to enter into the agreement.

Overall, I don't think Project Solar misled Ms S about the self-funding nature of the system or the estimated financial benefits.

I've also gone on to consider the performance of the system in the context of the representations Project Solar made.

It seems as though the system is overperforming slightly given the FIT reading from September 2022 was around 15,261kWh and the estimated annual generation was just under 2,900kWh. So I don't think I can find Project Solar misled Ms S about the estimated financial benefits.

If Ms S wanted to complain about a fault with the system, she'd need to take it up with S first if she wanted our service to consider this. I can't consider that sort of complaint against Project Solar.

All things considered, while I'm sorry to hear Ms S is unhappy, I don't think Project Solar misled her about the financial benefits of the system. On balance, I think the way it presented the financial benefits was broadly fair. I'm not going to direct it to take any action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 25 February 2025.

Simon Wingfield
Ombudsman