

## **The complaint**

Mr Y has complained that Project Solar UK Ltd misled him about the financial benefits he could expect from a solar panel system it sold to him.

## **What happened**

In November 2023 Mr Y bought a solar panel system (“the system”) from Project Solar using a 126-month fixed sum loan agreement it arranged through a finance provider I’ll call “P”. The system cost £16,500. Mr Y paid a £100 deposit and was due to repay the agreement with 120 monthly repayments of around £270.

Mr Y signed the credit agreement on 20 November 2023. On the same day he and his wife signed the purchase contract with Project Solar. The contract was for a system that was estimated to generate around 5,189kWh annually.

Mr Y said on 26 November 2023 Project Solar’s representative visited him unannounced and informed him that he and his wife needed to sign another contract because of issues with cables. Mr Y said Project Solar’s representative reassured him everything else would stay the same, so he signed another contract on the same day.

On the 27 November 2023 Mr Y said he received a call from the Energy Performance Validation Scheme (“EPVS”) to check he’d been made aware there was shadowing from the trees which would impact the system’s generation. Mr Y said he told the EPVS he hadn’t been made aware, but upon looking closer at the second contract, he noticed the estimated generation was lower – 4,152kWh annually.

Mr Y said he contacted Project Solar’s representative on 27 November 2023 to raise his concerns. He said he spoke to the representative who apologised and agreed to cover the cost of cutting the trees to lessen the impact of shading. Mr Y obtained a quote for £1,400 in December 2023 and sent it to Project Solar’s representative who said he was abroad. Mr Y chased the representative for a response in January 2024. As things weren’t getting resolved, he complained.

Project Solar responded to the complaint in March 2024 and said it wasn’t obliged to remove any trees that impacted shading. It highlighted Mr Y had signed the second contract. But it said it would offer £500 towards the cost. Mr Y wasn’t happy and referred his complaint to the Financial Ombudsman.

Our investigator looked into things and thought Mr Y’s testimony seemed plausible. She thought it wasn’t unreasonable for him to rely on what Project Solar’s representative told him when making his decision to purchase the panels. She thought it likely the representative told Mr Y Project Solar would cover the cost of the tree surgery. She thought Project Solar should cover the cost of the tree surgery, but Mr Y would need to supply three quotes. She thought Project Solar should reimburse Mr Y the pro-rata sum equivalent to the lost benefit. She also thought it should pay Mr Y £200 compensation.

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 considering whether Project Solar, a credit broker, misled Mr Y with regards to the financial benefits of the system. I've taken account of what Mr Y 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 the two quotes referred to in the background.

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 Mr Y 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.

I think Mr Y's testimony has been plausible and convincing. I think Project Solar misled Mr Y with regards to the estimated financial benefits he could expect to receive when selling the system and brokering the agreement with P. And I agree our investigator's recommendations seem like a fair and reasonable way to resolve things.

Mr Y signed a contract and fixed sum loan agreement for a £16,500 system that was estimated to generate 5,189kWh annually. A few days later Mr Y agreed to sign another contract for a system estimated to generate 4,152kWh annually. The reduction in the estimated generation impacts the financial benefits Mr Y was estimated to receive quite significantly. The estimated payback time for the first quote was 8 years, and 9 years for the second quote. The saving on Smart Export Guarantee was over £15,500 for the first quote and around £7,800 for the second. The total income and savings over 30 years was around £8,000 less on the second quote. The average saving on the second quote was nearly £300 less annually over that time. I think these savings are intrinsically linked to how Mr Y was going to pay for the system. This goes hand in hand with how the fixed sum loan was brokered.

Mr Y has supplied evidence of the contact he attempted with Project Solar's representative when he said he found out about the difference in generation figures and, on balance, I think this supports his allegation there was an agreement for Project Solar to cover the cost of the tree removal.

I think it likely Project Solar's representative made a mistake when putting together the first quote because it didn't include the shading impact from the trees. This has meant the estimated generation and financial benefits were either over inflated or Mr Y should have been told the steps he'd need to take to achieve the generation quotes. Mr Y was likely very disappointed when he found out the estimated benefits needed to be recalculated. And, on balance, I think Project Solar's representative didn't make it clear enough that would be the case when Mr Y signed the second quote. I think the key difference should've been brought to Mr Y's attention in order to allow him the time to see if he wanted to proceed on the same basis. When Mr Y chose not to cancel, I think he did so on the basis the tree surgery cost would be covered by Project Solar. I find Mr Y's testimony consistent and credible, and I think the costs and losses can be fairly recovered against Project Solar in this instance.

I'm required to resolve the complaint quickly and with minimum formality. There's a solution

to lessen the impact of the shading from trees. So it seems like the most pragmatic way to resolve things is for Project Solar to cover the cost of the tree surgery and a sum to cover the lost financial benefit. I can't see either Project Solar or Mr Y have said why this isn't a reasonable outcome.

I also agree Mr Y would have been very upset to find out the generation of the system needed to be reduced significantly as a result of what I think was a mistake in putting the quote together by Project Solar's representative. I think Project Solar could have taken more ownership of the issue and helped Mr Y resolve things sooner. Project Solar said it couldn't enforce any costings towards the work, but I think the representative was working on its behalf. I think the £200 compensation recommended by our investigator is also a fair way to recognise the impact on Mr Y.

### **Putting things right**

1. Project Solar should reimburse Mr Y the cost of the tree surgery to help reduce the shading impact on the system. Mr Y should arrange up to three quotes by VAT registered tradespersons so it can choose. Mr Y should be given three months to arrange the quotes from the date he accepts this final decision, if he decides to accept. Project Solar can decide if it's happy with the first one or two quotes sourced if required. Alternatively, if it wishes and Mr Y still agrees, it can pay him £1,400 in relation to the quote he's already obtained.
2. Project Solar should reimburse Mr Y the extra estimated financial benefit he'd have received by having a 5,189kWh generating system from the date of installation up to the date of settlement. It can use figures on the two quotes to calculate that sum.
3. Project Solar should also pay Mr Y £200 compensation.

### **My final decision**

My final decision is that I uphold this complaint and direct Project Solar UK Limited to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 5 March 2025.

Simon Wingfield

**Ombudsman**