

The complaint

Mr C has complained that Solarcrown Commercial Limited misled him about the financial benefits he could expect from a solar panel system they sold to him.

Mr C has been represented in bringing his complaint but, to keep things simple, I'll refer to Mr C throughout.

What happened

In March 2017, Mr C bought a solar panel system ("the system") from Solarcrown Commercial Limited ("Solarcrown") using a 10-year fixed sum loan agreement through a finance provider. The system cost £10,999 and Mr C was due to repay the agreement over 120 months with monthly repayments of just under £120. The total amount payable under the agreement, with interest applied, was just over £14,000 if it ran to term.

Mr C sent a letter of complaint to Solarcrown in February 2023 alleging they misled him with regards to the financial benefits he could expect to receive from the system. He said he was told the system would be self-funding and would pay for itself within 10 years. He also said Solarcrown exaggerated the benefits and savings that could be achieved and said the system had been underperforming in comparison to what was estimated. Mr C mentioned also that the system had degraded more than expected.

Solarcrown didn't provide a response on the merits of the complaint and so Mr C referred the matter to our service. The complaint was considered by two investigators. The first investigator recommended that it should be upheld, saying she was persuaded Solarcrown had sold the system to Mr C on the basis that it was an investment and would provide a significant financial return.

The complaint was then re-considered by a different investigator following Solarcrown's response to the first investigator's view. She felt the complaint should still be upheld, but for different reasons. She said, in summary, that the details that Solarcrown had provided showing how the system and its benefits would have been described by the salesperson about the sale were unclear as part of it didn't appear to show Mr C's details, or figures relating to the sale of the system. As a result, she felt that Mr C wasn't provided with information that was clear, fair and not misleading in respect of the financial relationship between the loan he took out and the benefits the system would produce.

Solarcrown didn't agree and said the details they provided was a template that their salespeople used, and the figures shown within this weren't relevant to the sale of Mr C's system. Solarcrown said that Mr C was made fully aware of the financial costs and benefits of the system.

As things weren't resolved, Mr C's complaint was passed to me for a decision.

I issued my provisional decision on 7 February 2025, relevant extracts of which I include below.

'Firstly, I've seen that Solarcrown has previously disputed our jurisdiction to consider this complaint. I'm unsure whether they still dispute this, as I note that both our investigators explained why they felt we were able to consider this. However, for the avoidance of doubt, I will set out my view on this.

At the time that Solarcrown met with Mr C in 2017, they were regulated by the Financial Conduct Authority ("FCA") to provide regulated activities and products. Credit broking, which was the activity Solarcrown undertook in respect of their dealings with Mr C, is a regulated activity and I'm assuming that Solarcrown doesn't dispute that they provided credit broking activities or that they weren't regulated to do so. Although Solarcrown are no longer authorised by the FCA, they were at the time they met with Mr C. So, I see no reason why we wouldn't have jurisdiction to consider this complaint.

Turning now to the merits of the complaint, I'm considering whether Solarcrown, a credit broker, misled Mr C with regards to the financial benefits of the system. I've taken account of what he has said, and I've looked at sales documentation to help me decide what I think is more likely to have happened. I've been supplied several documents by the parties including the fixed sum loan agreement and the solar quote.

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 C to be able to understand what was required to be repaid towards the agreement.

The solar quote set out key information about the system, the expected performance of it, as well as the financial benefits and certain technical information. I think it likely that Solarcrown's salesperson went through this with Mr C during the meeting, bearing in mind that he signed the document.

The quote sets out the estimated income Mr C could expect to receive by way of FIT payments and utility savings over 25 years. It sets out that the total income Mr C could expect to receive in the first year from was £568.47 and that the estimated overall benefit after 25 years was £28,357. I think this information was prominently set out and easy to understand. And, given that I've found the credit agreement was clear enough for Mr C to have seen how much was required to be paid, and over how long, if the loan ran to term, I think Mr C would have been able to see from the quote that the system wouldn't be self-funding from the start.

I've also considered Mr C's direct testimony about his recollections of the sale. He's said that the system would pay for itself and that, once the loan was paid off, he would be making money from it. Ultimately, the system will pay for itself as it will be in place in Mr C's property for its natural lifespan, which is beyond the term of the loan he took out to pay for this. And it would also mean he would be making money from it after the loan was repaid, for the same reason. If Solarcrown did say this to Mr C at the time of the sale, that seems to me to be a fairly accurate statement.

I think it's also relevant that Mr C didn't complain about the sale of the system until 2021 (when he complained to the finance provider). I would have thought that Mr C likely would have complained about the system costing him money a lot earlier than that had Solarcrown represented that the system wouldn't cost him a penny which is essentially what he's said.

Overall, I've not seen enough to safely conclude Solarcrown misled Mr C about the self-funding nature of the system or the estimated financial benefits. It seems also as though the system performed as expected in year two according to Mr C's letter of complaint to Solarcrown, although in the four years since the system was installed, the overall yearly average yield was less than predicted. But there could be other reasons why the system

didn't perform in some of those years, and I don't think there's enough to show me that Solarcrown misled Mr C about this. Nor do I think Solarcrown can be held responsible for any panel degradation; that is something that would need to be directed to the finance provider as that strikes me as being more of an argument that there was an issue with the system, which we can't investigate against Solarcrown as a credit broker.

All thing considered, I'd like to have had much more certainty that Solarcrown misled Mr C about the financial benefits of the system. On balance, I think they presented the key information to Mr C in a way that was clear, fair and not misleading. So, my provisional decision is that I will not be upholding this complaint'.

I asked both parties to provide me with any further comments or evidence they wanted me to consider following my provisional decision. Neither party 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.

As I've not been provided with anything further to consider, I see no reason to depart from my provisional decision. So, for the reasons I gave in my provisional decision (which I have included in the preceding section of this decision), I am not upholding this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 April 2025.

Daniel Picken
Ombudsman