

The complaint

Mrs A complains that some flooring that she paid for using a fixed sum loan agreement with V12 Retail Finance Limited isn't of satisfactory quality and hasn't been fitted correctly.

What happened

I issued a provisional decision on this complaint last month in which I described what had happened as follows:

"Mrs A agreed for some flooring to be supplied and fitted at her home. The supplier's May 2023 invoice shows that the work included supplying and fitting screed on the concrete floor in the lounge/diner/kitchen and in a small lounge at the front of the house, supplying and fitting flooring for those rooms and supplying and fitting screed on the concrete floor in the hallway, vestibule and WC. The total price of the works was shown as £6,649.24 and Mrs A paid a deposit of £1,549.75, so the balance due from her was £5,099.49.

Mrs A entered into a fixed sum loan agreement with V12 Retail Finance that she electronically signed in June 2023 for a loan to pay for the flooring. The loan agreement shows that the total cash price was £6,516.24 and that Mrs A paid a deposit of £1,549.75, so the amount of credit provided to her was £4,966.49. The loan was to be repaid by 23 monthly payments of £206.94 and a final payment of £206.87.

Mrs A wasn't satisfied with the quality of the flooring that was fitted and said that it hadn't been fitted correctly so she complained to V12 Retail Finance. It didn't uphold her complaint as it didn't agree that the flooring was faulty. It said that the supplier had inspected the flooring in January 2024 and was satisfied that it was performing as the manufacturer expected it to, that there was no fault with the fitting and that the moisture readings taken at the time of the survey indicated that no moisture issues were present.

Mrs A wasn't satisfied with its response so complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, thought that V12 Retail Finance hadn't acted fairly. She didn't think that the flooring was laid with due care and skill and she recommended that V12 Retail Finance should either: cancel the agreement and remove it from Mrs A's credit file, refund all payments that Mrs A made, including her deposit, plus interest, and pay Mrs A the cost of removal of the flooring and screed so that she could source new flooring for the living, dining, kitchen, and hallway (and she said that Mrs A had provided a quote to put the hallway issue right so V12 Retail Finance should pay £1,385.73 to remedy the hallway issues); or: Mrs A to provide quotes to have all of the affected areas redone; and she said that V12 needed to pay Mrs A £200 for the handling of the claim and subsequent complaint.

V12 Retail Finance responded to those recommendations and provided evidence from the manufacturer of the screed. It said that the moisture levels were fine prior to installation and no moisture is released during the screed process so the only explanation is an external event. It also said that the only reason that there are several gaps and uneven edges is because Mrs A has refused to allow the supplier

to complete the job. The investigator said that her opinion remained unchanged. Mrs A then provided a quote for the required remedial work of £8,635.41, which was in addition to the quote of £1,385.73 that was referred to by the investigator. She also says that the specialist providing the quote advised that removal of the screed would be very messy and dusty so he recommended that they aren't in the house for the four or five days that the removal will take.

V12 Retail Finance then provided a submission from the supplier about the flooring in which it explains why it remains of the view that the flooring had been fitted with due care and skill and that the investigator has taken an illogical view that is unfair in the circumstances. As V12 Retail Finance didn't accept the investigator's recommendation, I've been asked to issue a decision on this complaint. After an initial review of the evidence, I asked for an independent expert to inspect the flooring and report their findings. V12 Retail Finance asked the supplier to arrange an independent inspection and it took place in February 2025".

Provisional decision

I set out my provisional findings in my provisional decision. I said:

"Mrs A paid for the flooring using a loan from V12 Retail Finance. In certain circumstances, section 75 of the Consumer Credit Act 1974 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 Mrs A's complaint about V12 Retail Finance, I must be satisfied that there's been a breach of contract or misrepresentation by the supplier of the flooring and that V12 Retail Finance's response to her claim under section 75 wasn't fair or reasonable (but I'm not determining the outcome of Mrs A's claim under section 75 as only a court would be able to do that). I consider that the breach of contract about which Mrs A has made a claim to V12 Retail Finance is that the flooring isn't of satisfactory quality and that it wasn't fitted with reasonable care and skill.

The investigator said: "[Mrs A]'s property was a new build, and she was advised by [the supplier] that she needed screed laid before her flooring could be laid. Screed was laid on her living, dining, kitchen and hallway before the purchased flooring was laid on her living, dining and kitchen area only. The hallway flooring was laid by a different company. The flooring was laid over a three-day period and moisture readings were taken in May 2023. In September 2023 [Mrs A] contacted [the supplier] as she felt the work was incomplete, it was found that the thresholds and edging weren't included in the original price. [Mrs A] paid for the thresholds and edging to be fitted, she also highlighted to [the supplier] the damage they'd caused to her internal walls. The thresholds and edging were never fitted after [Mrs A] paid for them so in December 2023 after [the supplier] didn't respond, [Mrs A] approached [V12 Retail Finance] and raised a complaint. [Mrs A] highlighted to [V12 Retail Finance] that the flooring was incomplete and unsteady and that there were high levels of moisture from the screed that was laid".

V12 Retail Finance didn't uphold Mrs A's complaint as it didn't agree that the flooring was faulty. It said that the supplier had inspected the flooring in January 2024 and was satisfied that it was performing as the manufacturer expected it to, that there was no fault with the fitting and that the moisture readings taken at the time of the survey indicated that no moisture issues were present. In response to the investigator's recommendation, it provided evidence from the manufacturer of the screed and it said that the moisture levels were fine prior to installation and no moisture is released during the screed process so the only explanation is an external event. It also said that the only reason that there are several gaps and uneven edges is because Mrs A has refused to allow the supplier to complete the job. It then

provided a submission from the supplier about the flooring in which it explains why it remains of the view that the flooring had been fitted with due care and skill and that the investigator has taken an illogical view that is unfair in the circumstances.

The flooring was inspected by an independent expert in February 2025. The conclusion of the inspection report says:

“In my opinion the issues with the flooring are due to a relatively high level of moisture in the subfloor. My inspection took place more than 18 months after the flooring was fitted but the moisture readings confirmed the subfloor was still not as dry as required in the flooring installation instructions. This was based on direct readings in contact with the subfloor in various areas including areas not fitted with flooring, and in readings taken through the flooring using suitable meters.

The variability of the readings is typical for a drying subfloor where the moisture escape is variable in different areas.

The slab is 150 mm thick and the screed is of unknown thickness, but would be at least 55 mm thick in a typical modern residence. Drying times, in ideal conditions, are a minimum of one day per mm thickness up to 50 mm and 1.5 days per mm above this. The combined thickness of slab and screed is likely to be in excess of 200 mm and therefore in ideal drying conditions this would take in the region of 275 days to dry, more than nine months. Drying times would in this case be slowed down by the DPMs within the subfloor protecting the insulation and the fact that between December 2022 and May 2023 the conditions would not have been ideal for drying the floor. As this period was no more than 5-6 months the floor would not have adequately dried to the level required for these tiles.

In my opinion the moisture is not entering from outside or underneath the property as has been suggested. If this were the case, the moisture pattern would not be so random but would give an indication of where the moisture was entering the building.

The moisture levels are not abnormal in the circumstances, they are normal for a drying cementitious subfloor, but are at a level where measures should have been taken to protect the flooring at the time of installation.

The moisture reading of 3.7% which I was told was taken by the estimator does not equate to any of the readings I took, nor the requirements stated in the installation instructions. It may be that the readings were incorrectly taken, the meter was of an unsuitable type, was out of calibration, or there is some other explanation, but in my opinion this reading is not a correct indication of what the moisture level was at the time of the estimate and installation.

The issues could have been avoided by the use of a surface damp-proof membrane which would have slowed down the release of moisture to prevent it affecting the flooring.

In addition to the above, the irregular surface of the smoothing compound in the bay window area is due to moisture affecting the smoothing compound where the primer has not been applied as a continuous coating across the whole floor surface. It may be that the primer was not taken right up to the perimeter of the room, or it may be that the coating was inadequate and that there are other problems which are currently hidden underneath the tiles, but this does not affect my opinion and I note it here as it may necessitate additional works when the current flooring is uplifted”.

The summary at the end of the report says:

“The flooring installed in the customer’s home has been affected by moisture from the drying subfloor. This is because the moisture was not detected prior to fitting and so the normal protective measures (a surface-applied damp-proof membrane) were not incorporated into the specification.

In my opinion this is a breach of the requirements of BS 8203: 2017 which requires that accurate moisture measurements are taken prior to installation”.

Although the supplier says that the flooring had been fitted with due care and skill, the conclusion and summary of the independent expert’s report clearly say that that isn’t the case. The report says that measures should have been taken to protect the flooring at the time of installation and that the flooring installed in Mrs A’s home has been affected by moisture from the drying subfloor because the moisture wasn’t detected prior to fitting and so the normal protective measures weren’t incorporated.

Having carefully considered all of the evidence that V12 Retail Finance has provided, including evidence from the supplier and the manufacturer of the screed, and the independent expert’s report, and the evidence that Mrs A has provided, including her descriptions of the issues and the photos of the flooring, I consider it to be more likely than not that the flooring hasn’t been fitted with reasonable care and skill. I consider that to have been a breach of contract by the supplier for which V12 Retail Finance is liable under section 75.

I find that it would be fair and reasonable in these circumstances for V12 Retail Finance to pay for the screed and flooring that was laid by the supplier to be removed (including the flooring that was laid on the screed by a third party) and to pay for like-for-like replacement flooring to be fitted. Mrs A has provided quotes of £1,385.73 and £8,635.41 for the required work but those quotes are unlikely to still be valid. I consider that it would be fair and reasonable for Mrs A to provide two quotes (or two sets of quotes) for all of the required remedial work to V12 Retail Finance and for it to choose which of those quotes she should use and then to pay for the remedial work.

Mrs A says that the specialist providing one of the quotes advised her that the removal of the screed would be very messy and dusty so he recommended that she and her family aren’t in the house for the four or five days that the removal will take. Mrs A says that she has a young child and doesn’t want to risk her breathing in small particles of concrete which poses a health risk. I find that it would be fair and reasonable in these circumstances for V12 Retail Finance to pay for Mrs A and the family members who normally live with her to stay in at least three star local accommodation, that includes cooking facilities, for the period during which the screed removal takes place.

The investigator recommended that V12 Retail Finance should pay Mrs A £200 for the handling of the claim and subsequent complaint, but complaint handling isn’t a regulated activity and this service isn’t able to consider a complaint about complaint handling so I’m unable to award any compensation to Mrs A for the way that V12 Retail Finance has handled her complaint. The issues with the flooring have caused, and are continuing to cause, Mrs A considerable distress and inconvenience. I find that it would also be fair and reasonable in these circumstances for V12 Retail Finance to pay £500 to Mrs A to compensate her for that distress and inconvenience”.

Subject to any further comments or evidence that I received from Mrs A and V12 Retail Finance, my provisional decision was that I intended to uphold this complaint. Mrs A says that it’s wrong to say that she refused the supplier entry to her property to finish the job and she’s described her understanding of what happened. She also says that she’s in the process of getting two sets of quotes as requested for the remedial work and will forward them on once she has them. V12 Retail Finance says that it has forwarded my provisional

decision to the supplier and it has asked how the hotel accommodation cost will be controlled and has asked for confirmation as to who would book it.

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.

The only comment that I've received in response to the outcome that I set out in my provisional decision relates to the alternative accommodation that I've said should be paid for by V12 Retail Finance. I therefore see no reason to change the findings that I set out in my provisional decision, other than to say that Mrs A should choose appropriate accommodation within the description that I've given and then submit details of it to V12 Retail Finance for approval before it is booked and at least one week before it's to be used. If V12 Retail Finance doesn't approve of that accommodation it should provide Mrs A with details of three sets of alternative accommodation within the description that I've given that are acceptable to it for her to choose one of them. If V12 Retail Finance doesn't provide Mrs A with those alternatives at least three days before the accommodation is to be used, Mrs A should use the accommodation details of which she submitted to it and it should pay for Mrs A and her family to stay in that accommodation.

Mrs A says that she's in the process of getting two sets of quotes for the remedial work and will forward them on once she has them. She should provide those quotes to V12 Retail Finance for it to choose which of the quotes she should use.

Putting things right

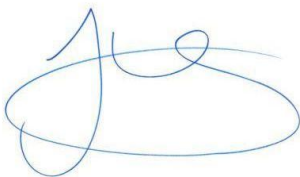
I find that it would be fair and reasonable for V12 Retail Finance to take the actions described above and as also set out below.

My final decision

My decision is that I uphold Mrs A's complaint and I order V12 Retail Finance Limited to:

1. Pay for the required remedial work on the basis that I've described above.
2. Pay for Mrs A and the family members who normally live with her to stay in at least three star local accommodation, that includes cooking facilities, for the period during which the screed removal takes place.
3. Pay £500 to Mrs A to compensate her for the distress and inconvenience that she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 27 May 2025.



Jarrold Hastings
Ombudsman

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