

## The complaint

Mr H and Miss W have complained about the way Shawbrook Bank Limited responded to claims they'd made under section 75 ("s.75") of the Consumer Credit Act 1974 (the "CCA") and in relation to an alleged unfair relationship taking into account section 140A ("s.140A") of the CCA.

Mr H and Miss W have been represented in bringing the complaint but, to keep things simple, I'll refer to Mr H and Miss W throughout.

## What happened

In December 2018 Mr H and Miss W entered into a fixed sum loan agreement with Shawbrook to pay for a solar panel system ("the system") for around £8,000 from a supplier I'll call "S". The agreement was for 122 months. Mr H and Miss W paid a £100 deposit and were due to pay 120 instalments of around £100. The total amount payable under the agreement was around £11,800.

I understand Mr H and Miss W put in a claim with Shawbrook in March 2024 broadly saying:

- They were cold called by S and sold the system as being self-funding.
- S told them it would arrange everything for them.
- They'd receive a significant return.
- S was late in sending the completion pack.
- They'd not received payment for the energy generated by the system.
- There was an unfair relationship.
- Any commission paid would have contributed to the unfairness.

Shawbrook spoke to S and responded to the claim. It said S would not have said the feed in tariff (FIT) payments would cover the loan cost, nor that the system would be self-funding from the outset. It referred to a quote which it said formed part of the sales presentation. And it said this document clearly set out the estimated financial benefits of the system. It said the loan agreement was clear and that Mr H and Miss W had 14 days to change their minds. It said no commission was paid and that S provided Mr H and Miss W a form to register for FIT payments.

Mr H and Miss W didn't agree and referred their complaint to the Financial Ombudsman. One of our investigators looked into things and thought Shawbrook's answer was broadly fair so she didn't make any recommendations.

Mr H and Miss W didn't agree. They said S didn't supply the instructions for registering for FIT straight away and when they were supplied instructions in April 2019 the deadline had already passed. They also noted that during a call with S they referenced a missing battery item which was never resolved. Our investigator responded to say she thought Mr H and Miss W received the documentation with instructions in time. She also said in respect of a battery issue, this didn't form part of the letter of claim so she was unable to consider it further.

Mr H and Miss W didn't agree. They reiterated there was no evidence S gave them details to register for FIT in time. 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 want to acknowledge that whilst I've summarised the events of the complaint, I've reviewed everything on file. If I don't comment on something, it's not because I haven't thought about it. I'm focussing on what I consider are the key issues.

Mr H and Miss W paid for the system using a fixed sum loan agreement. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to these sorts of agreements.

S.75 of the CCA makes Shawbrook responsible for a breach of contract or misrepresentation by S under certain conditions. I think the necessary relationships between the parties exists and the claim is within the relevant financial limits.

Mr H and Miss W said the estimated financial benefits of the system were misrepresented. I've taken account of what Mr H and Miss W have 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 Mr H and Miss W 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. S said this formed a central part of the sales process and that the salesperson would've discussed it in detail with Mr H and Miss W prior to them 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 Mr H and Miss W during the meeting.

The quote sets out the estimated income Mr H and Miss W could expect to receive by way of FIT payments that would be paid for 20 years. This sets out the total FIT income Mr H and Miss W could expect to receive in the first year was £200.13 and that the average over 20 years would be £290.36. The quote also sets out Mr H and Miss W could expect to save around £364.59 in the first year, and that with assumed rate of energy increases the average annual electricity savings over 25 years would be £863.08 – 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 Mr H and Miss W the combined income and savings for year one is shown as £760.13 (which results in a monthly benefit of around £60). 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 says there's an estimated 9-year payback time. But this section applies if the system is bought outright. It doesn't include details of the interest Mr H and Miss W were 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 Mr H and Miss W is set out in the table for 120 payments of around £100 (which broadly matches the loan agreement). I think this table shows 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 9 that the system shows there was a positive repayment difference. Mr H and Miss W were required to sign under this section to show they understood.

There's another table titled 'Estimated performance over 25 years' included in the quote. Given I've found the credit agreement was clear enough for Mr H and Miss W to have seen how much was required to be paid, and over how long, if the loan ran to term, I think Mr H and Miss W would have been able to see from the quote when the system was estimated to have produced enough benefit to have covered the cost of the system and the associated finance agreement. Mr H and Miss W would have seen that if the loan ran to term, they would have been required to pay around £11,800, and that by comparing to the table I've mentioned above, it wouldn't have been until around year 12 that the system would have likely produced enough benefit to have covered the cost of it.

Given I think the fixed sum loan was clear enough and the quote setting out the estimated financial benefits was signed in various places, on balance, I think it likely S went through it with Mr H and Miss W during the sales process. Overall, I haven't seen enough to determine there was a breach of contract with regards to the installation. And I've not seen enough to determine the system was misrepresented.

With regards to email about the FIT registration, on balance, I think it was likely sent. Shawbrook said S told it the completion documents were sent in January 2019. Mr H and Miss W said there's no evidence it was sent. If Mr H and Miss W didn't receive the email, they could have let S know given it's not in dispute that S told Mr H and Miss W that they should receive instructions a few days after the completion documents were sent. Moreover, on a phone call recording we've been supplied where S phoned to check with Mr H and Miss W they received all the documents required, Miss W said she'd received everything by email. I think the call was before the deadline for registering for FIT because Miss W said she knew it needed to be done by 31 March 2019. S said it had been extended slightly. She said she knew she needed to do it, and S let her know if there were any concerns or queries to contact it. So, on balance, I think S either did send the information or Mr H and Miss W had enough information to know how to ask for help if there were any problems.

I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here. I've not seen commission was paid, and for the same reasons as I've set out above, I don't think there's sufficient evidence S misled Mr H and Miss W about the financial benefits they could expect from the system. Therefore, while I'm sorry to hear Mr H and Miss W are unhappy, I don't find I have the grounds to direct Shawbrook to take any other 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 Mr H and Miss W to accept or reject my decision before 13 June 2025.

Simon Wingfield

**Ombudsman**