

## The complaint

Mr K complains about a claim he made to Bank of Scotland plc (BOS) in respect of flooring he had installed in his property which he is unhappy with.

## What happened

In January 2024, Mr K contracted with a merchant (who I'll call A) to supply and fit flooring at his property. The contract included other elements associated with the general fitting of flooring such as uplift/disposal of the old flooring and preparation for fitting the new flooring. The total cost of the contract was £12,201.43. Mr K paid £6,100.72 towards this contract using his BOS credit card.

A commenced the fitting of the flooring in February 2024 and this was concluded in March 2024. From what I can see, Mr K had concerns whilst it was being installed and made A aware of this. This led to additional work being done by A to prepare the sub-floor appropriately for the fitting of the flooring that Mr K purchased and led to the work taking longer than anticipated.

Mr K states that A failed to give him adequate advice on whether this flooring was appropriate for his property, and that it did sub-standard work. Once the work was complete, Mr K reported concerns as the floor was not level which led to floorboards showing and noticeable dips and troughs throughout the property. The merchant offered to come back to look at it, however Mr K did not allow this. Mr K did not pay the remainder of the balance due towards the contract and asked for a refund of the monies already paid. In response, the merchant continued to ask to come back to the property to assess Mr K's concerns and asked for the remaining balance on the invoice to be paid.

As he was unable to resolve matters with the merchant, in May 2024 Mr K approached BOS to raise a payment dispute. BOS originally considered whether it could raise a chargeback dispute but decided against this and concentrated its efforts on considering a claim under Section 75 of the Consumer Credit Act 1974 (Section 75 CCA). BOS decided that it couldn't assist with the claim as the merchant had not been given sufficient opportunity to rectify the issues and the outstanding balance owed to A had not been paid by Mr K. Mr K raised a complaint about delays in the consideration of the claim and the outcome, however BOS didn't think it had treated Mr K unfairly.

Mr K brought his complaint to our service. Our investigator said she thought the chargeback element of the claim had been dealt with fairly by BOS. With regard to Section 75 CCA our investigator said she agreed the work had not been completed to a reasonable standard, however as Mr K had not paid the remaining balance owed to A and as he had sold the property, she didn't think BOS could be held liable for this claim. In its correspondence with our service, BOS offered to cover the cost of the independent report Mr K obtained and our investigator found this to be fair.

Mr K disagreed with our investigator's opinion and asked for an ombudsman to consider his complaint. He provided screenshots of his conversation with the merchant expressing his dissatisfaction with the work whilst it was still ongoing. So, the complaint has now 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 would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

I also think it's worth clarifying that I'm deciding whether BOS acted fairly in assisting Mr K with his dispute against A. I'm not making a finding on the underlying dispute Mr K has with A. BOS did not contract with A or perform the work that Mr K is attempting to recover payment for, so when considering what's fair and reasonable, I'm only considering whether BOS acted in line with its obligations as a provider of financial services.

### Chargeback

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

In this particular case, I can see BOS considered whether to raise a chargeback and ultimately decided to focus on Section 75 CCA instead. In disputes like this, the chargeback rules have certain conditions that need to be met. Having considered them, I find it to be unlikely that Mr K would be able to return fitted flooring to the merchant if a chargeback was raised. In addition, the merchant had attempted to return to the property to survey the work and consider next steps and Mr K had not allowed this. I therefore find it likely the merchant would have defended any chargeback and there was good reason for BOS to doubt that a chargeback would be successful. So, I don't think it would be fair in the circumstances for me to say that it acted unreasonably in declining to take the chargeback any further.

### Section 75

Section 75 of the CCA allows – in certain circumstances - for a creditor (BOS) to be jointly and severally liable for any claim by the debtor (Mr K) of breach of contract or misrepresentation made by a supplier of goods and/or services (A).

It is clear, and neither party is disputing that there was a problem with the performance of the contract. The invoice supplied by A includes *"Supply of self-levelling compound (kitchen) and 6mm SP 101 plywood (hall, 2x bedrooms, dining, office, lounge), levelling of the floor and prep for installing dry back LVT (Dry back LVT fitting)"*. This indicates the contract required some preparation of the floor beneath to lay the flooring. The independent report obtained by Mr K indicates the issue was with the preparation of the sub-floor and recommended that 9mm plywood be used instead. It is reasonable to assume that the recommendation of the 6mm plywood that was used came from A, and that Mr K was entitled to rely on that

recommendation. It is also reasonable to expect a level floor once the work was completed. So, I find that it was reasonable for BOS to have concluded there was issue with the contract to the extent that it was likely breached, and we can turn to considering appropriate remedies instead.

I have taken the Consumer Rights Act 2015 (the Act) into account when considering appropriate remedies for this complaint. BOS has said that if the merchant had refused to help or if the bill was paid then it would be in a position to assist. Mr K states he should not throw good money after bad by completing payment and as the entirety of the floor would need to be ripped up and discarded, he should be refunded the money he has paid so far.

The Act states that a consumer has a right to reject the goods and treat the contract as at an end in situations where a breach of contract has occurred. The Act indicates that the consumer is entitled to a refund if the goods are rejected, however the consumer has a duty to make the goods available for collection by the trader or to return them as agreed. Having looked at the invoice, I can see the flooring was glued down. It seems unlikely therefore that the remedy in this situation would be as simple as returning the flooring for a refund as it is likely the floorboards would be damaged when they were brought back up. So, based on not being able to return the goods, Mr K is not able to reject the goods and receive a full refund. I have therefore considered the other remedies available.

The Act indicates that a customer has the option to require a trader to repair or replace the goods. It appears that in this case, this is the option that A was looking at pursuing. When Mr K expressed his dissatisfaction with the work done after it was complete, A asked twice to come back and look at the floor and Mr K denied these requests.

In this case, Mr K had indicated as the work was ongoing that there were issues. From the information available to me, it appears that once work was complete Mr K was no longer willing to work with A based on his belief that he had already allowed repairs whilst the work was ongoing. I have considered this and I'm afraid I don't agree with this stance. The information available suggests that Mr K left post it notes on areas he was unhappy with whilst the floor was being fitted. A has said the post it notes were all on the sub-floor which it was not contracted to repair but it did so anyway. I have no evidence to suggest that the areas in which the post it notes were stuck were not repaired appropriately and that the issues experienced after the floor was laid were in the same areas. I appreciate that Mr K says there were issues across the entire property however having considered both Mr K and A's positions, I think A should have been awarded an opportunity to review Mr K's concerns after the floor had been fitted as a repair/replacement would have been an adequate remedy in this situation.

I have also considered Mr K's right to a price reduction. The Act outlines that customers are only entitled to a price reduction if either of the two remedies discussed above were not possible for some reason. Based on the information available to me, I find that repair/replacement was a viable option (the relationship breakdown between A and Mr K notwithstanding) and so I don't find price reduction to be an appropriate remedy here.

Based on everything I have outlined above, our starting point therefore is that under the connected lender liability provision provided by Section 75 CCA, BOS take liability for the repair/replacement. But in this case, a recommendation like this would not be possible because Mr K has since sold the property, with the flooring in the condition it was left in by A. I therefore fail to see his financial loss as a result of the flooring having been installed in the condition it was. I understand Mr K feels the matter is straightforward in that he paid for flooring which was substandard and therefore he should receive a refund. I'm afraid it isn't that simple. Mr K has received the goods paid for and is unable to return them for a refund due to the nature of the goods. It is the new owner of the property that would have to pay for

any repairs to the flooring rather than Mr K. So, everything considered, I find there is nothing further for BOS to do to remedy the situation.

The last matter I have considered is whether BOS handled the claim fairly. I can see the claim was raised in May 2024 and concluded in September 2024. Mr K raised a complaint about how the claim was being handled whilst the claim was ongoing. I can also see that towards the end; BOS did ask for information it had previously requested. There is no set time in which Section 75 CCA claims need to be concluded. Considering the amount of information required and the nature of this claim I find the time frame to be reasonable. I can see BOS made some small errors in the handling of the claim but not to the extent that I would recommend it do anything to put things right for Mr K. I appreciate the repeated requests for information were frustrating for Mr K however I have considered the information BOS requested, the thoroughness of its review and its communication with Mr K during this time and find its handling of the claim to be reasonable overall.

### **Putting things right**

In its correspondence to us, BOS offered to cover the cost of the independent report it asked Mr K to obtain during the course of the claim. I find it reasonable for BOS to cover the cost of this report provided Mr K can provide BOS with an invoice for the report or proof of payment towards the invoice.

### **My final decision**

My final decision is that I uphold the complaint and direct Bank of Scotland plc to settle the complaint as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 28 August 2025.

Vanisha Patel  
**Ombudsman**