

The complaint

Mr G has complained that Allium Money Limited (“AML”) rejected his claim against it under Section 140 of the Consumer Credit Act 1974.

What happened

In August 2019, Mr G entered into a fixed sum loan agreement with AML to fund the purchase of a solar panel system from a supplier that I’ll call “P”. The cash price was just over £14,300. Mr G was due to pay back the agreement with monthly payments of just over £170 and the term of the loan was around 10 years.

In March 2024, Mr G (through his representative) made a claim under section 140 of the Consumer Credit Act 1974 (s.140). He said that P had made a number of representations about the system that had turned out not to be true, and it was these misrepresentations that had induced him to enter into the contract with P and this therefore made the entire relationship unfair. He made a number of points including:

- The information provided by P at the point of sale was inaccurate and misleading comparing returns with cash price only, knowing Mr G would require finance.
- He was told that significant benefits could be achieved through social energy payments which haven’t materialised. Social energy stopped making payments in 2022 and Mr G hadn’t received any further payments since.
- Mr G was not provided with an MCS certificate which is standard in the industry, and this limited his choice of suppliers – he could only apply for social energy with the certification provided and once payments stopped, he was unable to apply for the Smart Export Guarantee (SEG).
- The overall sale was inappropriate.

AML rejected the claim explaining it felt the loan was affordable, that P had not been informed about his problems with social energy and provided him with an alternative certificate that he could use to apply for SEG. It also noted that the quotation document specified that any estimates could go up or down and could only ever be used as a guide. It further added that P could not be held liable for social energy ceasing to trade several years after the sale as it would not have known this at the point of sale. It also added there was no evidence the system wasn’t working as it was designed to work.

Mr G remained unhappy so referred the complaint to our service. Our investigator looked into things and didn’t think AML had acted unfairly. Overall, she didn’t think the information was mis-leading and there was a lack of evidence to show that estimates relating to social energy payments or the optional extras hadn’t materialised. She also pointed out that Mr G hadn’t initially complained about the optional extras and hadn’t paid for them separately in any event.

Mr G didn’t agree and amongst other things, he said the following:

- That the estimated savings in relation to the optional extras were not realistic and, even if they were free, they were used to inflate the supposed returns - this was

therefore misleading.

- Mr G didn't have one optional extra fitted because on the day of installation he was informed that as his boiler was new, it wouldn't do anything. The other optional extras were deemed unnecessary. Mr G says the purpose of the purchase was to maximize returns, so he agreed to have all the optional extras, but the savings estimated were unrealistic and he was bombarded with paper and figures. He didn't complain about the optional extras because they were free, and he couldn't ask for a refund.
- That if he'd been told about how not receiving the MCS certification would limit his options in applying for other benefits – he wouldn't have agreed to the sale and P's comments that the certification now provided allowed him to apply for SEG payments with other providers was simply not true.

Our investigator pointed out that, in respect of his claim for misrepresentation, as Mr G was aware he hadn't had the optional extras fitted, it would be reasonable that he was aware he wouldn't receive the benefits associated with them and he didn't complain about this for many years. He also never raised this with AML in the first instance. As things weren't resolved the complaint has been passed to me to decide.

On the 20 May 2025, I wrote to both parties explaining why I wasn't intending to uphold the complaint and asked both parties to submit any further comments before I completed my assessment of this complaint. AML didn't make any new comments, but Mr G's representative did respond reiterating its earlier concerns and I'll address these below.

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.

In my provisional decision I explained the following:

Firstly, I'd like to reassure Mr G, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of his complaint in this decision as I'm required to decide matters quickly and with minimum formality.

I understand Mr G's representatives have only raised a claim under s.140 but I've considered all relevant law, including section 75 of the CCA (s.75). I can also see Mr G's representatives' claims have evolved during the course of our investigation (such as concerns over misrepresentation in relation to the optional extras) but, like our investigator, I've approached this pragmatically, and responded to some additional concerns, because I don't think, in any event, there's sufficient reason or evidence to compel AML to offer a remedy in this case

I would add that I'm sorry to hear that Mr G is unhappy with the installation. But it may be helpful to explain that I need to consider whether AML – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr G's claim. AML isn't responsible for everything P did that Mr G may be unhappy with. I could only ask AML to offer a remedy if I felt that anything P did amounted to a misrepresentation that he'd relied on, a breach of contract, or if I felt any information was so mis-leading that it likely causes an unfair relationship to be created.

To make a claim for misrepresentation, I'd have to consider if the solar panel system has been misrepresented to Mr G in any way and that this caused him to suffer loss. For the purpose of this decision, I've used the definition of a misrepresentation as an untrue statement of fact or law made by one party (or his agent) to a second party which induces that second party to enter the contract, thereby causing them loss.

I've thought about the quotation document as a whole and have carefully considered Mr G's representatives comments that it was mis-leading but like our investigator, I don't agree. I re-iterate I have thought about all their concerns but will only be addressing the key points as part of this decision.

Information around estimated benefits

The quotation document sets out that a number of assumptions have been used to calculate the estimated benefits and that any returns may be higher or lower, and returns can be affected by inflation and rising energy costs. I can't see any estimates were guaranteed and I also haven't seen that any assurances were made that the benefits could cover the cost of the system including finance.

Information in relation to finance charges

There are sections in the quote that compare the estimated benefits against the cash price only, not the finance, but I can see this is clearly marked as "does not include finance."

Further below the document does illustrate the benefits in comparison to the costs including finance charges with tables for differing loan terms. Mr G took out a 10- year loan – and this table shows his monthly payment will be around £172 but his estimated monthly return for the first year is only £63.54 and remains significantly less than £172 for the entire period of the loan.

So, it seems to me the quote did provide estimated benefits but didn't provide any guarantees. It also made it clear in any sections whether finance charges had been included in any assessment or not. I'm mindful that the quotation offered consumers to buy the system in cash as well as finance and these were labelled up correctly. And consumers could review the information based on whether they were making cash purchases or using finance.

And where finance was to be used to fund the purchase, I think the quote made it clear that the estimated benefits received would not cover the cost of the loan.

Social energy estimates

As explained by our investigator, Mr G hasn't submitted any evidence of actual social energy payments he received following the installation of the system so we couldn't assess whether these estimates were unreasonable at the time they were made. In any event, as explained they hadn't been guaranteed, and P had made it clear that actual payments could differ. Additionally, while I can see why Mr G was frustrated when social energy ceased to trade, this isn't something P could have foreseen, so wouldn't amount to a misrepresentation.

Optional extras

I've thought about the savings estimates in relation to the optional extras but as these were not fitted, we cannot assess if any of the estimates related to them were unreasonable. Additionally, in any event, I don't think I could safely conclude that Mr G purchased the system based on the representations made in relation to the free optional extras and not based on the estimates about the solar panels themselves. The optional extras were free, Mr G was aware they hadn't been fitted and didn't raise any concerns about them for many years and didn't raise any concerns about them when he initially raised his claim. If he'd relied on the representations about the optional extras, and this was one of the main reasons he'd bought a £14,000 solar panel system, I would have expected him to raise this at the

time he was notified that they weren't going to be fitted, or at least when he raised his initial claim. So, while I'm mindful Mr G doesn't appear to have raised this issue specifically with P or AML, as it stands, I don't think there's sufficient evidence that he relied on any alleged misrepresentations in any event.

Certification of the system

I understand Mr G's representative feels that Mr G should have been provided with MCS certification rather than the alternative certification that has been provided and therefore the sale was inappropriate. They feel it limited Mr G's ability to switch providers as not all providers accepted the alternative and MCS was the standard in the industry at the time.

As explained by our investigator, P did not assert it would provide MCS certification, so he wasn't mis-led in that regard. P has also clarified that the certification it has provided will allow Mr G to apply for SEG payments with other providers. While the representative says this is simply not true, it hasn't provided any evidence to support its view. P also said Mr G never contacted it following social energy ceasing to trade and had he done so, it would have provided the certificate earlier on to enable him to apply for the benefit. As explained by our investigator, P could not have predicted that social energy would cease to trade 3 years after the sale, and once notified of the issue, it has provided advice on how to apply for further benefit. So, I can't see that P did anything that would amount to a misrepresentation or breach of contract that AML would now be responsible for, and I don't think any information provided was misleading or untrue that made the relationship unfair.

I would add that Mr G hasn't made any comments about the solar panels themselves, and the savings estimated in relation to the system he actually paid for. I also haven't seen any evidence that Mr G is disappointed with how the solar panels have performed and the meter reading suggests the system is performing in line with expectations.

AML has also set out that it felt the affordability assessments were fair and I haven't seen anything to suggest the loan itself was unaffordable.

As explained above, I can only assess Mr G's complaint, on a narrow basis – whether AML's response to his claim is fair. Bearing in mind I don't think Mr G has been misled, and I don't think there's sufficient evidence of misrepresentation or breach of contract, I don't think there's a valid claim under s.75 and I think a court is unlikely to conclude that there is an unfair relationship under section 140. So, I don't think it was unfair that AML didn't uphold this claim.

In response to my provisional findings, Mr G's representatives raised a number of points including:

- *The returns provided by the optional extras were integral to the total returns promised and despite being "free" they were not immaterial to the decision to proceed with the sale. The delay in raising concerns about the optional extras does not change the fact that they were presented as part of the overall benefit, and the consumer was misled about the benefits that could be achieved.*
- *Mr G's representative added that P hadn't told him that it wouldn't provide MCS certification and AML haven't produced any evidence that the certification P did provide enabled Mr G to apply for benefits such as SEG. They said this either amounts to a misrepresentation or failure to disclose a material fact and thus this renders the relationship unfair.*
- *The representatives feel that the overall structure of the quotation document wasn't*

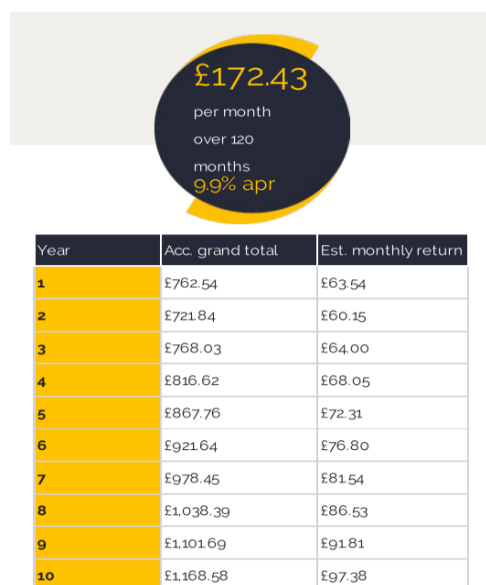
transparent or fair and misrepresented or at least confused the true financial benefits of the system. The financial tables comparing the returns with the monthly benefit was difficult to understand and the message that the monthly payment was significantly higher than the projected monthly benefits was obscured by the benefits of the optional extras, the social energy payments and the long-term cumulative benefits.

Firstly, I want to re-assure both Mr G and his representatives that I've considered everything they've said but I'll only be dealing with their key points. As explained before, I'm expected to decide matters quickly and with minimum formality.

As I've explained in my provisional decision, as Mr G did not have the optional extras fitted, he cannot show what (if any) benefit he did receive so there's no evidence that any estimates were unreasonable at the time they were made. Additionally, none of the estimates were guaranteed or "promised". To make a successful claim for misrepresentation, Mr G would need to demonstrate not only that the estimates were misrepresented to him, but that he relied on them, to make the purchase. Mr G knew they weren't fitted at the time of installation in 2019, and he did nothing. When he raised a complaint in March 2024, he still didn't mention any concerns with these. Based on the available evidence, I'm not satisfied that his decision to proceed with the sale was mainly due to the benefits associated with the free optional extras, so I don't think these induced him to enter into the contract.

P is not obligated to provide Mr G with MCS certification and did not offer this. Its provided alternative certification and said this will enable Mr G to apply for SEG benefit. As Mr G is making the claim, the onus is on him to prove his claim that he's unable to apply for benefit with the certification provided - which he hasn't done. So overall, I'm not satisfied there's sufficient evidence that P has acted unreasonably in this regard.

I reiterate my earlier findings that the quotation document was clearly marked where any assessment didn't include finance. And where it did include finance, I think it was very apparent that the monthly cost of the loan would far exceed the estimated monthly benefit.



The estimated monthly benefit (£63) was significantly less than the monthly cost of the loan (£172) for the entire term of the loan. I would add that the monthly benefit amount of £63.54

– included the benefit associated with both social energy and the optional extras – this was consistently shown in a later table marked “what will you earn and save per year?”. In my view the document is clearly marked and any assessment including finance clearly show there will be a shortfall between the benefit and cost.

P has informed this service that taking consumers through the document was part of its sales process and Mr G signed this document several times. I’ve thought about Mr G’s representatives’ comments about the dialogue of the salesperson – but I don’t see how the salesperson could’ve verbally assured Mr G that his monthly benefit (including social energy benefit) of £63 could cover his monthly loan payment of £172 – when there is such a significant shortfall throughout the term of the loan. Overall, I’m not satisfied that the quotation document was misleading or that Mr G was led to believe the benefits would exceed the cost of the loan.

Having reviewed this complaint again, I see no reason to depart from my findings as set out in my provisional decision. I’m still not satisfied that Mr G has been misled, and I don’t think there’s sufficient evidence of misrepresentation or breach of contract. So, I don’t think there’s a valid claim under s.75 and I think a court is unlikely to conclude that there is an unfair relationship under section 140. So, I don’t think it was unfair that AML didn’t uphold this claim, and I don’t uphold Mr G’s complaint.

I would also point out Mr G doesn’t have to accept this decision. Ultimately it’s up to the courts to decide if the relationship was unfair and Mr G is free to pursue the complaint by more formal means such as through the courts.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 July 2025.

Asma Begum
Ombudsman