

The complaint

Ms H complains that Halifax didn't agree to pay for new windows and doors as a result of claim made through Section 75 of the Consumer Credit Act 1974 (Section 75).

What happened

In 2020 Ms H paid a deposit using her credit card with Halifax, for new windows and doors to be supplied and installed by a company who I'll refer to as D. The deposit was £1,540.00 and the total cost of the windows and doors was £15,400.

Ms H noticed there were problems with the windows and said she attempted to resolve the issues with D, but this wasn't successful, and, in any event, D went into administration in 2022. So, Ms H contacted Halifax in April 2023 to see if it could help her.

Halifax considered Ms H's claim under Section 75. It asked her to provide an independent report setting out what the issues were with the windows and doors, which Ms H did. She provided a copy of this to Halifax in September 2023. Halifax accepted there had been a breach of contract and asked Ms H to provide quotes for the replacement of the windows.

Ms H provided two quotes both of which were in excess of £40,000 for the work to be completed. Halifax considered these but didn't agree the quotes represented a like for like quotation. It asked Ms H to provide quotes that were similar to the work originally carried out. Ms H declined to do this, feeling the quotes she had provided were reasonable. Halifax considered Ms H's comments but didn't agree to increase its offer.

Ms H was unhappy with this result and disputed that Halifax were only liable to pay her the amount that was originally paid under the contract. Halifax maintained its position on the matter.

Unhappy with the offer made by Halifax, Ms H referred the case to this service. One of our investigators considered the case and didn't think Halifax had acted unfairly.

Ms H didn't agree with our investigator's view, so her complaint has been passed to me for review and decision.

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.

Having done so, I issued a provisional decision on the case saying:

"I think it would be helpful for me to be clear here that I am only considering the actions of Halifax in this case, and I can't consider the actions of D.

As Ms H paid for the deposit using her credit card, Halifax could have considered the claim through the chargeback process or under Section 75. So, I've considered both here.

Chargeback claims

Chargeback provides an avenue for a bank to raise a dispute with a merchant where something has gone wrong. However, it doesn't cover all eventualities, it isn't a legal right and isn't guaranteed to get a customer a refund. That said it's good practice for a credit provider to attempt a chargeback where the circumstances are appropriate and there is a reasonable prospect of success. Strict rules and timeframes apply to chargebacks, and these are set out by the card scheme operator.

I can see that Halifax didn't attempt a chargeback in this case, and I don't think this was unreasonable. I say this because Ms H was looking to claim back more than she had spent on the card, and the claim would likely have been outside the given time frame for the relevant chargeback reason.

Given the nature of the claim, I don't think it was unreasonable for Halifax to consider the claim under Section 75, and I've gone on to consider this further.

Section 75 Claims

Section 75 makes the provider of credit (Halifax in this case) equally liable where there is a case of misrepresentation or breach of contract by the supplier of goods or services financed by the credit. However, it will only apply when the criteria for a Section 75 claim are met. This includes the need for the cash price of each item disputed to be more than £100 and less than £30,000. In addition to this there needs to be a direct relationship between the debtor, creditor, and supplier otherwise known as a DCS agreement.

Having looked at the contract I can see that this was for the supply and installation of the windows and doors and that the value of the contract was within the thresholds in terms of the cash price. But I can also see that the contract was in the name of Mr B (Ms H's long-term partner). Further to this, Mr B paid the remaining balance of the £15,400 for the works completed from his own account. Given this, I've considered more closely whether the DCS agreement was intact.

Having done so I'm persuaded that Ms H was party to the contract. I say this because it's clear that she paid the deposit for the supply and fitting of windows and doors for the property she lived in full time with Mr B. I think D also considered Ms H to be party to the contract given it addressed communications to both her and Mr B. So, I agree that there is a valid Section 75 claim here. Halifax hasn't disputed that the claim met the criteria for Section 75 to apply or that the claim should have been successful.

Given this I intend to focus my decision on the point of dispute here which is whether the offer Halifax has made is fair in the circumstances. To help me decide whether Halifax has acted fairly in this case I have considered both Section 75 and the Consumer Rights Act 2015 (CRA).

Ms H would like Halifax to pay the cost of replacing the windows and doors based on the quotes she provided. But I don't think that would be a proportionate outcome and I'll explain why.

Here it is accepted that there was a breach of contract, and that Ms H has a successful Section 75 claim against Halifax. So, we must turn to the CRA to understand what remedies are available where the goods aren't fit for purpose as is the case here.

The CRA gives a number of options to resolve a situation of this type. The merchant can, repair or replace the affected items or the consumer can reject the items and receive a

refund. Deductions can be made from this refund to reflect usage.

It appears to be accepted by both parties that repair is not a viable option in this case. Ms H has requested that Halifax pay for the replacement of the windows up to the value of £30,000 and reimburse her for the cost of the independent report. So, she is seeking a payment of £30,720 in total.

I can understand why Ms H would want to use a larger, reputable company for the replacement of her windows and doors, given the experience she's had. However, I must keep in mind that Section 75 allows for a like claim against Halifax and I don't consider that the quotes she has provided represent a like claim. Ordinarily it would be reasonable, and consistent with the CRA, for a business to carry out repairs or to replace the faulty goods. Where this wasn't possible a customer has the right to reject the goods and ask for a refund which would be limited to the amount paid under the contract.

As D is no longer trading and Halifax doesn't supply or install windows and doors, repair or replacement are no longer possible in the normal way. Which leaves the final right to reject and receive a refund as a reasonable remedy.

That said, it appears Halifax was willing to consider replacement by a third party as a potential remedy, but it didn't consider the quotes Ms H provided to be comparable with the cost, quality, and merchant of the original contract. Halifax asked Ms H to provide quotes that were more like the original contract, but when these weren't forthcoming, it offered to refund the total cost of the windows and doors. It's also said it would be willing to pay reasonable costs for the rectification of cement works as indicated by the independent report. As this amounts to a like claim in terms of Ms H's entitlement under the CRA, where repair or replacement isn't reasonable, I agree this is a fair offer.

I appreciate this will be disappointing for Ms H, but I don't think the quotes she has provided represent a like claim. Ms H has said no-one would have been able to provide windows for the original cost, and I'm inclined to agree that it's likely prices will have gone up. However, I think there would likely be relatively significant price differences, both now and at the time of the original contract, between the national companies that Ms H has provided quotes from, and smaller companies that would be more comparable with D. So, it follows, I don't think it's reasonable, to pass on to Halifax the additional cost of having the work undertaken by one of the companies Ms H sought quotes from.

I agree with Halifax's view that it being liable for the cost of replacing the windows and doors isn't a proportionate remedy in the circumstances. And I agree that the approach it's taken is in line with the CRA and Section 75. So, on the evidence available, the appropriate remedy here is for Ms H to be entitled to reject the goods and to be refunded for the cost as set out in the contract with D, plus the reasonable additional costs of any cement works as outlined in the independent report.

However, I can't see that Halifax has made any offer to reimburse Ms H for the cost of the independent report it asked her to provide. Halifax agreed to reimburse the cost of the report when it asked Ms H to obtain it. Given this, I think it would be fair for it to reimburse Ms H the cost of the report on the provision of an invoice (if Ms H hasn't already supplied this to Halifax) plus a sum to account for Ms H being out of pocket."

I said it would be fair for Halifax to:

- Pay Ms H £15,400 in settlement of her section 75 claim.*
- Reimburse Ms H for the cost of the independent report provided in September 2023,*

**plus 8% simple interest from the date the report was paid for until the date of settlement, on the provision (by Ms H) of the invoice for the report and proof of payment.*

- *Reimburse Ms H for the cost of the repair to the cement, should Ms H be able to provide an invoice and proof of payment for the work specified in the independent report.*

Ms H responded to my provisional decision accepting my findings. Halifax also responded to it saying it had already offered to pay Ms H the £15,400, reimburse her for the cement works and the cost of the report, on the provision of invoices, prior to the case being referred to this service.

I accept that Halifax did offer to settle the case this way before the case reached us and broadly, I think this settlement is fair in the circumstances. However, I think it has been some time since Ms H commissioned the report at Halifax's request and I can't see that it has made any attempt to remind Ms H that an invoice was required.

Halifax originally told Ms H that it would refund her for the cost of the report in June 2023 which I agree is reasonable. However, it was clear by June 2024 that Ms H was unhappy she hadn't received reimbursement for the report. I think it would have been reasonable for Halifax to have reminded Ms H what it needed from her to reimburse the costs. I can't see it did that. So, I think it's fair to compensate Ms H for being out of pocket. Ms H is now aware of the need to supply the invoice to Halifax and so I would encourage her to do this within a reasonable time frame.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax should:

- *Pay Ms H £15,400 in settlement of her section 75 claim.*
- *Reimburse Ms H for the cost of the independent report provided in September 2023, *plus 8% simple interest from the date the report was paid for until the date of settlement, on the provision (by Ms H) of the invoice for the report and proof of payment.*
- *Reimburse Ms H for the cost of the repair to the cement, should Ms H be able to provide an invoice and proof of payment for the work specified in the independent report.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 28 July 2025.

Charlotte Roberts
Ombudsman