

The complaint

Mr K complained about the way Creation Financial Services Limited responded to a claim for money back for purchases of goods and services he made using his credit card.

What happened

Mr K said he bought a boiler including installation for around £2,980 in May 2022 from a supplier I'll call S, using his Creation credit card. He said that S serviced the boiler around a year later.

Around December 2023, Mr K said that the boiler stopped working and he had it inspected by a third party who said that the boiler wasn't installed safely, and the incorrect gas safety valve had been used. Mr K used the same third party to install a new boiler and a new gas safety valve for the type of property he had. Mr K said that S didn't take ownership for the dangerous installation.

Mr K raised a claim under Section 75 of the Consumer Credit Act 1974 (Section 75) with Creation in June 2024.

Creation considered Mr K's claim but didn't accept it. It said that as the boiler installation had been done more than six months ago it required evidence to show that the issues were as a result of the installation. It said as Mr K replaced the boiler and this was done by the same party which inspected it, it didn't have any independent evidence that there was a breach of contract. It said that as the boiler was now replaced, it didn't have the opportunity to consider S' liability and didn't agree to refund Mr K.

Mr K complained about the outcome of the Section 75 claim. He said he provided photos of the way the boiler was installed and these showed that it had been installed incorrectly, and the original boiler was available for inspection. He explained that the type of boiler wasn't appropriate for the property and shouldn't have been fitted. He explained as there wasn't any hot water or heating, he needed to have the boiler replaced. Mr K also complained separately that some of the transactions he attempted to make using his credit card were declined.

Creation responded to Mr K's complaint and explained that it wasn't going to change its position on the Section 75 claim. It explained why some of the transactions attempted by Mr K and his use of the contactless feature were declined due to security reasons. It accepted there were delays after there was a security alert and awarded £150 compensation for this.

Mr K remained unhappy and referred his complaint to the Financial Ombudsman. Our Investigator considered the complaint. She confirmed with Mr K that she would focus on the outcome of the Section 75 claim as Mr K hadn't referred to the transactions being declined in his submission. The investigator considered Creation's position on the Section 75 claim and didn't think it acted unfairly when it said the report provided wasn't sufficiently *independent* evidence. She said that Creation acted fairly by awarding Mr K £150 compensation in relation to the delays in communication for the security alerts. Mr K disagreed and said he

thought he had an unreasonable expectation set for him as a consumer for his claim and Creation didn't meet its obligations under Section 75.

As the matter remains unresolved, 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 I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr K and Creation that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr K complained to Creation about difficulties he had with transactions being authorised. Creation explained why certain transactions were flagged for security reasons. Mr K clarified that he highlighted the issues to reflect Creation's attitude and didn't require this service to investigate this part of his complaint by itself. I've not considered this further as I think the reasons provided by Creation were reasonable and like the Investigator, I think Creation acted fairly by awarding £150 compensation to resolve this part of Mr K's complaint.

Section 75

Under Section 75, Creation is jointly liable for any breaches of contract or misrepresentations made by the supplier of goods or services – which is S in this case. In order for there to be a valid claim under Section 75, there needs to be a debtor-creditor-supplier ('DCS') agreement in place and the transaction needs to be within certain financial limits. Our investigator has asked Mr K for the original contract with S for the original purchase of the boiler and installation from S. Mr K hasn't provided this to this service so I can't be certain that the DCS requirement is in place without seeing the contract between Mr K and S. However, I haven't explored this point further because I don't think Creation responded unfairly to the Section 75 claim Mr K raised in any event.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. The CRA implies terms into the contract that goods supplied will be of satisfactory quality and that services must be carried out with reasonable skill and care. The CRA also sets out what remedies are available to consumers if statutory rights under a goods or services contract are not met.

Mr K said the boiler was unsuitable for the property and stopped working around December 2023. He had it inspected by a third party who also replaced the boiler and corrected the pipework.

Our investigator also asked Mr K to provide details on what was discussed when he bought the boiler, Mr K hasn't provided this. So, I have nothing to suggest that the boiler was misrepresented to Mr K when he bought it, so I've focused on whether Mr K provided enough evidence to show there had been a breach of contract.

Mr K provided details of an inspection from a third party which states that the boiler installed was undersized and that a stop tap was fitted which was non-compliant. The boiler was condemned. He also provided a quote for the same company which quoted works to be completed, this included the disposal of the existing boiler which was incorrectly sized and installed without upgrading the gas pipework. The quote showed installation of a new boiler and re-piping the gas supply and removal of the stop tap which was installed incorrectly.

Creation said that this wasn't independent as both the inspection and work carried out was done by the same company.

I've considered the information provided by both parties and I understand the urgency Mr K had when the boiler stopped working and he took steps to put things right. However, as he had the work completed by the third party before raising a claim with Creation, I don't think it was unfair that Creation said that it was unable to determine that the boiler wasn't of satisfactory quality or fit for purpose from an independent party.

I think even if Creation were to accept the information Mr K provided from the third party company, I don't think it was unreasonable that it declined to refund Mr K. This is because under the CRA when installation forms part of a contract, section 15 is of relevance (*Installation as part of conformity of the goods with the contract*), which says:

(1) Goods do not conform to a contract to supply goods if—

- (a) installation of the goods forms part of the contract,*
- (b) the goods are installed by the trader or under the trader's responsibility, and*
- (c) the goods are installed incorrectly*

The CRA then goes on to say, under section 19 *Consumer's rights to enforce terms about goods*:

(4) If the goods do not conform to the contract under section 15 or because of a breach of requirements that are stated in the contract, the consumer's rights (and the provisions about them and when they are available) are—

- (a) the right to repair or replacement (section 23); and*
- (b) the right to a price reduction or the final right to reject (sections 20 and 24).*

But of importance here, is that a final right to reject can only be made, once attempts to repair or replace the item have failed.

So, I don't think it's unfair that Creation declined Mr K's claim for a full refund because even if there was sufficient evidence to demonstrate that there was a breach of contract with the boiler and its installation, Creation wouldn't be able to undertake the work to make it conform to the contract (i.e. offer a repair or replacement).

I know Mr K will be disappointed with my decision, but I'm satisfied Creation's answer on his claim under Section 75 was fair. So, I won't be directing it to do anything more.

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 K to accept or reject my decision before 19 December 2025.

Amina Rashid
Ombudsman