

The complaint

Mr W complains about a caravan he purchased using credit partially provided by MBNA Limited trading as MBNA ("MBNA").

What happened

In July 2019, Mr W bought a new caravan from a supplier I'll call 'S'. He paid £25,695 to purchase this, £1000 of which he paid using his MBNA credit card. Mr W paid the remaining amount using a debit card with another bank.

Mr W contacted MBNA in September 2023 to raise a claim under section 75 of the Consumer Credit Act 1974 ("s75"). He said the following:

- He initially used the caravan in 2019 for a couple of weekends and then stored it over winter.
- Because of the COVID lockdown, he didn't use the caravan next until September 2020, when he noticed the caravan roof had badly leaked filling the cupboards with water. The manufacturer couldn't take the caravan in for repair until April 2021, and he was only then able to use it again from June 2021.
- In September 2022, the caravan lights started flashing in the area where the leak had been. S told him they needed to order a new part which was incorrect as it was subsequently found the wiring for the lights had been sitting in water, causing a fire hazard.
- In July 2023, Mr W needed to use the caravan although it hadn't been repaired. Although the lights had stopped flashing initially (because they had dried out), water poured into the cupboards from the same point as before and the lights started flashing again.
- He felt the caravan wasn't fit for purpose and he wasn't able to use it because of the leak.
- He had written to S asking for a full refund, but they hadn't replied to him.
- He was incurring ongoing monthly costs despite not being able to use the caravan. This was for storing the caravan, insurance and its annual service. He also paid for a toe hitch lock and wheel lock which he bought to reduce his insurance bill.

MBNA asked Mr W to provide an independent report, which he subsequently arranged and sent to them. The report set out the following:

- There was 15% damp towards the offside of the caravan and when powering the lights, two lights on the nearside cupboard would flicker a few times, then stop flickering.

- The inspector had noted a recent report which showed there was 20% to 30% damp on the offside of the caravan. He said that attempted repairs to this hadn't been successful.
- It was likely the caravan had dried out on the inside because it had been parked on slant. The damp readings would likely increase though with the passage of time and under wet conditions.
- The caravan wasn't in a satisfactory condition; its use for which it was bought and intended for has been significantly denied because of the issues that had been identified and were unsuccessfully repaired.
- The caravan still has underlying issues as there were electrical issues still present with the lights, which they felt was caused by water contamination.

MBNA declined Mr W's s75 claim saying there wasn't evidence of a breach of contract. They said the caravan had first been repaired six months into ownership, and the next faults weren't raised until April 2021 and September 2022. MBNA felt there was no evidence the issues with the caravan were present from the outset.

Mr W didn't agree and complained to MBNA. They didn't uphold the complaint and so he referred the matter to our service. One of our investigators looked into what happened and recommended the complaint should be upheld in Mr W's favour. He felt the caravan wasn't of satisfactory quality or fit for purpose and recommended that MBNA pay the cost of repairing the caravan once Mr W provided them with two quotes for repair. He also recommended that MBNA pay Mr W's storage costs up to the point he bought a cover for the caravan. And he said MBNA should pay Mr W £150 compensation for their handling of his s75 claim.

MBNA accepted our investigator's view. Mr W said it wasn't reasonable to ask him to accept a repair of the caravan as the condition of it had deteriorated significantly. Mr W also said he should get a full refund of his storage costs as these had been incurred due to the caravan's location and was nothing to do with whether it had a cover on it.

As the matter remains unresolved, Mr W's complaint was passed to me to decide.

I issued my provisional decision on 29 July 2025, relevant extracts of which I include below and which form part of my final decision.

'It's important to note that MBNA isn't the supplier of goods which this dispute centres around. My role is to look at whether MBNA acted fairly as a provider of financial service. In considering if MBNA acted fairly, I've considered relevant law, which in this case is s75. This provides that in certain circumstances, the borrower under a credit agreement has an equal right to claim against the credit provider if there's either a breach of contract or misrepresentation by the supplier of goods or services.'

For a s75 claim to be considered, it needs to satisfy certain necessary criteria. I won't set out what that criteria is, but I am satisfied the criteria have been met here.

The Consumer Rights Act 2015 ("CRA") is also relevant to this complaint. This implied terms into Mr W's contract with S. One of those terms was that any goods bought by him would be of satisfactory quality. The CRA set out that the quality of goods is satisfactory if they meet

the standard that a reasonable person would consider satisfactory taking into account things like the description of the goods, its age, the price and all other relevant circumstances. It seems to me that MBNA accepts the caravan wasn't of satisfactory quality when Mr W bought it. I say this because MBNA accepted our investigator's view, in which he said the caravan wasn't of satisfactory quality.

For the avoidance of any doubt though, I also find the caravan wasn't of satisfactory quality. The independent report that Mr W arranged sets out there were significant damp issues present in the caravan and that there was an unresolved electrical issue with the lights. The inspector also said that repairs that were carried out to the caravan were unsuccessful. I've also seen video recordings provided by Mr W which show significant water ingress from a particular part of the caravan.

Mr W has said he has barely used the caravan since he bought it. I have no reason to doubt this, and I find his testimony on this credible, persuasive and consistent. As the caravan has had such significant issues with it, I don't think it plausible that Mr W somehow contributed to those issues by for example poor maintenance of the caravan. And it should be noted that Mr W had the caravan serviced each year. And, just on that latter point, I've seen a copy of a damp report from August 2024 which says the caravan had damp readings of 30% to 70% from the nearside to the offside ceiling between the front roof window plastic and the skylight. So, it seems the damp problems have increased significantly since Mr W complained to MBNA.

I don't think a reasonable person would expect such significant issues to have occurred with a new caravan, So, I find that the caravan wasn't of satisfactory quality, which means I think there has been a breach of contract.

Putting things right

The next issue to determine is how to put things right for Mr W. Our investigator felt it would be reasonable for Mr W to agree to the caravan being repaired. MBNA agree with this.

I don't currently agree that this is a reasonable course of action though. In saying this, I've considered the CRA's approach to remedies where goods aren't of satisfactory quality. This says that a consumer is entitled to request a repair or replacement if they didn't seek their initial right to reject the goods within the first 30 days from purchase. Here, there's no dispute that Mr W didn't invoke that 30 days right to reject. But it's also clear to me that S already tried to repair the caravan, and that the independent inspector noted that these repairs weren't successful. So, Mr W then had the right to a final right to reject the goods at that point. Not only that, it seems quite likely that the costs to repair the caravan will be significant. The damp report from 2024 that I've referred to above sets out there is significant damp present. Mr W has also said the wooden frame of the caravan has been sitting in water for as long as he's owned it and would likely now be rotten and unstable. Mr W has also said the tyres are out of date.

Taking into account all the circumstances, and the remedies set out in the CRA, I currently think Mr W should be allowed to reject the goods. MBNA will need to liaise with S to arrange this and ensure that Mr W isn't charged for its collection.

I now turn to Mr W's financial and consequential losses. Mr W has asked for a full refund of the cost of the caravan. I think that's a fair request as I'm satisfied Mr W has barely used it since he bought it. Mr W has said he has paid a total of £27,110 which includes the purchase price of the caravan and ancillaries essential for its use. I am satisfied that Mr W has paid this amount and so it's reasonable for this to be refunded to him by MBNA. If MBNA wish to see evidence of the ancillary costs, then Mr W should send this to them.

Mr W has also said he's paid for the following:

- *£550 for a caravan cover.*
- *£220 for a hitch lock which was essential for his insurance.*
- *Storage costs of £2,272 to date as of June 2025.*
- *Insurance costs from 2019-2023 of £1,440.*
- *Annual service costs of £1,125.*

As I've mentioned above, Mr W barely had any use of the caravan. So, I see no reason why he shouldn't get the above costs refunded to him. I think these costs are ones that Mr W had no benefit from. And I've not seen that Mr W failed to mitigate his position in respect of his claim about the caravan to the extent that he wouldn't have otherwise incurred those costs. I would though say that for MBNA to refund these costs to him, Mr W should send them suitable evidence of the costs and suitable evidence that he paid them.

Finally, MBNA has agreed with our investigator's view that they should pay Mr W £150 for their handling of his s75 claim. So, MBNA will also need to pay this to Mr W'.

I asked Mr W and MBNA to send me any further evidence or comments to consider.

Mr W replied saying he was pleased with my provisional decision and provided some clarification on the bills and payments of the extras he'd paid. He said the caravan cover, insurance and annual servicing cost were all paid for by bank transfer. And he said he paid the storage costs in cash for which he received an invoice. Mr W also mentioned the hitch lock was paid for using a bank card, and there was another annual service due which meant an extra £250 needed to be added to his costs.

MBNA said they were agreeable in principle to resolving matters for Mr W, which broadly aligned with my provisional decision. But they asked me to consider a few points.

MBNA asked that Mr W provide a breakdown on the ancillary charges that were included in his claim. And for him to confirm whether any of these items would be retained for future use.

MBNA also asked me to consider whether Mr W should pay a fair usage charge because he had some use of the caravan although they acknowledged he didn't use it that often. And MBNA asked whether there should be a similar adjustment made to the insurance cost claim.

Finally, MBNA mentioned they were unable to arrange collection of the caravan as they don't have the facilities or means to arrange this. They suggested that Mr W sell the caravan, and they will then deduct the price received from the total settlement.

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'd like to thank Mr W and MBNA for their replies to my provisional decision.

I've considered MBNA's revised proposals for settling this complaint.

I think it reasonable for MBNA to ask Mr W for a breakdown of his extra costs. I've set these out in my provisional decision but it'll likely be easier and quicker for Mr W to provide a breakdown to them and suitable evidence that those costs were paid by him, bearing in mind the costs were paid by Mr W using different payment methods.

I note MBNA has asked whether Mr W intends to retain any of the items I set out as extra costs. If Mr W does wish to retain any of these items for future use, and by this I mean the physical items like the caravan cover and the hitch lock, then it wouldn't be reasonable for MBNA to refund those. So, clarity on this will need to be given to MBNA by Mr W on this point. I would make clear though that if Mr W doesn't wish to retain the items for use, then MBNA will need to refund the cost of them.

I've also considered whether it would be fair for MBNA to make a deduction for Mr W's use of the caravan. I don't though agree this is fair. I'm satisfied Mr W had little to no use of this at all, and even when it was used briefly by him, his usage was severely impaired by the problems with the caravan. I still think therefore that Mr W is entitled to a full refund of the cost of the caravan. And it follows that he is entitled to a full refund of his insurance costs as a result.

I've finally considered MBNA's comments about the collection of the caravan. They've suggested that Mr W sell the caravan and that they deduct this price from the total settlement. If Mr W wishes to proceed in this way, then I have no issue with this. But he may not wish to do so, and I will not make this a part of my direction to Mr W as I'm satisfied my proposal remains fair. If Mr W doesn't wish to accept this revision, then collection of the caravan should still be arranged by MBNA. They may not have the facilities to do this, but presumably they can liaise with the company who sold Mr W the caravan and arrange its collection. Ultimately, MBNA need to decide how to arrange this with Mr W. such as that it doesn't financially penalise him.

Putting things right

MBNA will need to liaise with S to arrange the collection of the caravan and ensure Mr W isn't charged for its collection.

MBNA should also refund the cost of the caravan, this being £27,110 which includes the purchase price of the caravan and ancillaries essential for its use (the latter being suitably clarified by Mr W to MBNA).

MBNA should also pay Mr W the following further costs (assuming none of these are included in the £27,110 figure I've referred to above) and assuming that he doesn't intend to keep any of the items for future use:

- £550 for a caravan cover.
- £220 for a hitch lock which was essential for his insurance.
- Storage costs which equated to £2,272 as of June 2025 although if Mr W has incurred any more costs since then, these should also be refunded upon provision of evidence.
- Insurance costs from 2019-2023 of £1,440.
- Annual service costs of £1,125. If Mr W has incurred any more costs since then, these should be refunded upon provision of evidence.

MBNA should also pay Mr W £150 for their handling of his s75 claim, as previously agreed by them.

My final decision

I uphold this complaint and direct MBNA Limited trading as MBNA to take the action I've set out in the 'putting things right' section of my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 September 2025.

Daniel Picken
Ombudsman