

The complaint

Ms S has complained about the way Healthcare Finance Limited (“HFL”) dealt with a claim in relation to dental treatment which she paid for with credit it provided.

What happened

In July 2023 Ms S entered into a five-year fixed sum loan agreement with HFL to fund the provision of dental aligners from a third-party supplier. The cash price was around £2,000 and Ms S was due to pay back the agreement with monthly payments of around £40. I understand she was provided aligners to be used over the next few months.

Ms S said she had issues around October 2023 with aligners not fitting and said the supplier eventually agreed there was a problem and sent her another set. She said she received the replacements around January 2024 and the supplier gave her £200 compensation for the delays. Ms S said she continued treatment but ran into issues again in May 2024. Ms S said the supplier told her to revert back a few stages which she did, but she experienced fitting issues again with the 12th set. She complained to the supplier and I understand it offered to replace the aligners again. Ms S was unhappy with how long things were taking and she didn’t want to continue treatment. Ms S also found out she was pregnant around this time, and I understand the supplier offered to pause the treatment while she was pregnant, pay £200 compensation and offered a free teeth whitening treatment.

Ms S accepted the outcome but wasn’t happy because the supplier didn’t follow up by paying the compensation. So she contacted HFL in October 2024 to put in a claim. HFL couldn’t provide a substantive response within the time it had allowed, and so Ms S decided to refer her complaint to the Financial Ombudsman in December 2024. She requested a full refund along with compensation.

One of our investigators looked into things and ultimately thought the supplier’s initial offer to replace the aligners in late 2023 and to pause the treatment in 2024 was fair. She didn’t direct HFL to take any further action, but she asked if it could follow up with the supplier about the compensation. She said any problems that happened after Ms S had referred her complaint to the Financial Ombudsman would need to be taken up with a separate complaint.

Ms S didn’t agree. She said the situation had been ongoing for almost 2 years and she felt like she was constantly having to complain. I issued a provisional decision that said:

I want to acknowledge 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’m required to decide matters quickly and with minimum formality. But I want to assure Ms S and HFL 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.

I also want to say I’m very sorry to hear that Ms S is unhappy with her treatment. I can’t imagine how she must feel, but I thank her for taking the time to bring her complaint.

What I need to consider is whether HFL – as a provider of financial services – has acted fairly and reasonably in the way it handled Ms S's request for getting her money back. But it's important to note HFL isn't the supplier.

Section 75 ("s.75") of the Consumer Credit Act 1974 is a statutory protection that enables Ms S to make a 'like claim' against HFL for breach of contract or misrepresentation by a supplier paid using a fixed sum loan in respect of an agreement it had with her for the provision of goods or services. But there are certain conditions that need to be met for s.75 to apply. From what I've seen, those conditions have been met. I think the necessary relationships exist under a debtor-creditor-supplier agreement. And the cost of the treatment was within the relevant financial limits for a claim to be considered under s.75.

I've gone on to consider if there is persuasive evidence of a breach of contract or misrepresentation by the supplier that means HFL should have offered more than it has when handling Ms S's claim.

There's a lack of evidence in this case which makes it difficult to get to the bottom of what's happened. But I think it's accepted by the parties that Ms S entered into a contract with the supplier for sets of bespoke aligners that she was due to use for the next few months. I understand the supplier was meant to monitor Ms S's progress, and she may have been provided some sort of guarantee as well. While there are goods supplied under the contract, overall, she primarily paid for a service from the supplier.

It's not in dispute that Ms S had issues with aligner fitting towards the end of 2023 and again in 2024. HFL would have had no way of knowing whether Ms S followed the plan. There's a lack of documentary evidence by way of a contract. And quite often with these sorts of treatments there are disclaimers that results can't be guaranteed because they can be affected by all sorts of things such as the patient's physiology, medical history and how they use the product.

Moreover, it's important to note that I'm not a dental expert, and neither is HFL. Ms S has not provided supporting evidence such as an independent, expert opinion that sets out the treatment she paid for has not been done with reasonable care and skill as implied by the Consumer Rights Act 2015 ('CRA'). I'm mindful it is the manner in which the service was provided that is the crucial issue for me in considering whether there's been a breach of an implied term in relation to the service.

But what doesn't seem to be in dispute is that there was a delay with the supplier providing support in the back end of 2023, and I think it seems likely that support should have been provided as part of the overall service Ms S paid for. Ms S said it took about three months for the supplier to provide the replacement aligners, and it offered her £200 to say sorry by way of a price reduction. I think this seems broadly fair. And Ms S accepted that at the time.

I think it also doesn't seem to be in dispute that a similar situation happened in 2024. Ms S reached out for help in May 2024. The supplier acknowledged the fitting issues in June 2024. And a further price reduction of £200 was agreed in July 2024. Given the nature of the way the treatment worked and that aligners need to be changed weekly I think the supplier should have got to grips with things sooner to offer support for Ms S. As it turned out, Ms S agreed to pause the treatment until after her pregnancy (with £200 compensation and a teeth whitening offer). This seemed to work for the parties involved at the time. I appreciate Ms S has since raised a complaint about what's happened more recently, but as our investigator explained, that'll need to be considered under a separate complaint.

With regards to this complaint, I'm minded to say that the £200 offer from the supplier in

2024 was because of failings with its service. I think as part of its service it would have been required to support customers with fitting issues. So part of the £2,000 Ms S paid for the contract would have been for the ongoing support from the supplier. Had things gone as I think they should have done in 2024 the treatment would have been paused, and the supplier would have paid Ms S £200.

As I've said above, the CRA implies terms into the contract that the service should be carried out with reasonable skill and care. I think the supplier acknowledged that it didn't do that in 2024 when it offered Ms S £200. Overall, while compensation for distress and inconvenience isn't generally recoverable under a breach of contract claim with a contract like this, I think the supplier offered this price reduction because of the failings in the way it carried out the service – i.e., it wasn't carrying out its service with reasonable care and skill when Ms S asked for support because of the fitting issues she had. A price reduction is the sort of remedy that can fairly be sought under a breach of contract claim for services. Bearing in mind I need to resolve this complaint quickly and with minimum formality, I'm minded to say that the most straight forward way to do that is for HFL to honour that same offer, if it's unable to arrange the supplier to do it itself.

HFL agreed with the proposal. Ms S didn't agree. In summary she said she had to upload weekly scans where a dentist would have to review her progress and review if the treatment was on track, which proves she was following her treatment plan. She said her complaint wasn't in relation to final results. She's unhappy the supplier provided faulty aligners which meant she never got the opportunity to finish her treatment. She said she didn't think she needed to provide evidence the treatment hadn't been carried out with reasonable skill and care. She said the fact the supplier provided several faulty aligners was enough to confirm there was a lack of skill and care. She also referred to her second complaint that had been raised and highlighted further issues she'd had with the supplier. She thought the only fair outcome was for HFL to refund her everything paid to date, clear the loan and offer substantial compensation for the emotional stress that had been caused.

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 the parties for their responses. It's important to note that I'm not dealing with the second complaint Ms S has referred to. Any issues in relation to that complaint will be dealt with separately. I'm only considering events that relate to the initial complaint that was referred to our service.

When I break down the events of what I'm able to consider, I need to bear in mind that there were issues in 2023 with some delays where the supplier offered Ms S £200 to say sorry. I thought this was broadly fair and Ms S accepted it at the time. There were issues of a similar nature in 2024, and the supplier offered £200 to say sorry again (along with the whitening treatment and allowing a pause of treatment). The issues in 2024 leading up to the pause happened over the period of a couple of months. Had things gone as they should have done the £200 should have been paid straight away, and it looks like Ms S would have accepted the outcome.

I appreciate Ms S has provided evidence she completed her scans and that by the supplier providing or offering alternative aligners this should show there was an issue. But as I said before, I'm not a dental expert, and it's reasonable to assume that different customers' teeth can move in different ways. It's not unthinkable that sometimes adjustments may need to be made with aligners – particularly when the whole course is manufactured up front. I can't fairly say this should always mean the contract should be cancellable straight away upon aligners not fitting. I've not seen evidence the contract allowed for that. I'm also conscious Ms S's particular circumstances meant she wanted to pause treatment at the time she did. But I did agree the supplier should have provided quicker support in the circumstances.

Bearing in mind I need to resolve this complaint quickly and with minimum formality and bearing in mind the limited scope of the events I'm considering, I think it fair and reasonable that HFL arrange for the £200 to be paid to Ms S. I think it's broadly reflective of what went wrong at that time. If Ms S chooses to accept the decision it will be legally binding, which I hope will give her some peace of mind.

I don't think the issues I've seen, for the period I'm able to consider, give me the grounds to direct HFL to refund Ms S everything paid and to cancel the loan. I think the £200 price reduction is fair for the poor service in relation to the complaint that was originally referred. Ms S will receive around a 20% price reduction with the total reimbursement of £400 for the overall issues she faced. The supplier also offered to pause her treatment. And her more recent complaint is going to be dealt with separately. Overall, I think this is broadly fair, and I'm not going to direct HFL to do anything further under this complaint.

My final decision

For the reasons given above, my final decision is that I uphold this complaint and direct Healthcare Finance Limited to arrange for Ms S to be paid £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 24 September 2025.

Simon Wingfield

Ombudsman