

The complaint

Mr C complains Secure Trust Bank Public Limited Company, trading as V12 Retail Finance (which I'll call "V12"), unfairly rejected his section 75 claim for a sofa he says was mis-sold.

What happened

I issued my provisional decision on 1 August 2025. An extract from that decision can be found below.

As the facts are well-known to both parties, I've only briefly set out the key events below.

In February 2024, Mr C tested a three-seater "curved corner" sofa in store but bought a three-seater "straight" sofa from the same range on finance provided by V12. The total cash price was £2,819. Mr C paid a £564 deposit, after which he had to pay £62.62 per month for 35 months, and a final payment of £62.30.

The supplier (which I'll call "S") delivered the sofa on 4 June 2024. Mr C immediately felt it differed from the store model: the seat cushions felt harder, compressed less, and were uncomfortable. The higher seating position also meant his wife's feet didn't touch the floor and Mr C's head sat above the headrest — unlike the store model.

Mr C expected the sofa seats to match the store model. After trying out both versions again, he still maintained his sofa was materially different. So he complained to S.

On around 27 June 2024, S arranged an inspection. The technician said the sofa wasn't faulty and Mr C simply had to wait three to six months for the sofa seats to settle.

Mr C monitored the seat cushions over the following months with photographed taped measurements. He then concluded the seats hadn't materially changed and his wife's feet were still off the floor. As S said the sofa was fault-free with any differences only minor and "tolerable", Mr C complained to the Furniture & Home Improvement Ombudsman (FHIO).

Following the FHIO's involvement, a second inspection took place in October 2024. The technician said Mr C's three-seater "straight" sofa was a different model/specification to the "curved corner" version tried in store. He found no fault but essentially concluded the seats were narrower, so the cushions would depress less and soften more slowly. This caused a higher seating position and explained Mr C's perceived differences.

The FHIO didn't uphold Mr C's complaint. It found he hadn't shown the sofa was faulty. It also considered his point-of-sale complaint about what might have been said in store, but concluded there was insufficient documentary evidence to support it.

Unhappy with that, Mr C claimed under section 75 Consumer Credit Act 1974 ("section 75"). He accepted the sofa wasn't faulty, but said the salesperson misrepresented it by not highlighting key differences between the models. V12 declined his section 75 claim in January 2025, relying in part on the FHIO's decision, which S supplied it with.

Our investigator explained why it can be problematic for our service to get involved when another Alternative Dispute Resolution (ADR) body like the FHIO has already dealt with substantially the same subject matter. He nevertheless considered whether V12 handled Mr C's section 75 claim fairly, and concluded it wasn't unreasonable for V12 to rely on the FHIO's report, and in so doing decline the claim on the basis it had.

Mr C said the FHIO's findings should be ignored because he didn't think the FHIO considered his mis-sale complaint. As our investigator maintained his view and Mr C still disagreed, the complaint has now come to me for a decision.

What I've provisionally 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I'd like to assure both parties I've carefully considered everything they've sent.

It's important to note that V12 didn't supply the sofa. Its role is limited to what would reasonably be expected of it as a provider of financial services. In that respect I consider section 75 to be particularly relevant here. As our investigator pointed out, the main issue here is whether V12 acted fairly when handling and declining Mr C's section 75 claim.

Section 75 Consumer Credit Act 1974

Section 75 can make V12 liable to Mr C for a "like claim" against S for a breach of contract or misrepresentation, because the sofa was bought with a fixed-sum loan provided by V12.

I'm satisfied the technical criteria for a valid section 75 claim have been met. That means the remaining issue for me to consider is whether V12 should have accepted liability under section 75 for a breach of contract or misrepresentation by S, given the evidence before it.

Mr C accepts the sofa isn't faulty. What he's specifically unhappy about is what the salesperson said (or didn't say) to him in store, that caused him to buy the sofa.

In support of his claim, Mr C argues that under the Consumer Rights Act 2015 (CRA) section 13 or 14, there was an implied term in his contract that the sofa he bought should match the display model he tested. Or if it didn't, S needed to have highlighted those differences to him. Alternatively, the salesperson's failure to sufficiently highlight material differences amount to a material misrepresentation that caused him to enter into the contract.

Put simply, Mr C says the salesperson should have warned him the sofa seats would be narrower, as this was a material difference that impacted his sitting experience.

Crucially, as highlighted by the FHIO, the burden is on Mr C to prove breach of contract or misrepresentation. It's possible the salesperson did something wrong — but if there isn't enough evidence to show that, V12 wouldn't be liable under section 75.

Was it fair for V12 to rely on the FHIO's decision

Also alluded to by the FHIO, point-of-sale complaints about what was or wasn't said during store sales are difficult to prove without documentary evidence. And as the FHIO already considered that difficulty in its decision, Mr C's complaint to this service is inextricably linked to the complaint he raised with the FHIO.

As the FHIO had already concluded Mr C hadn't sufficiently evidenced what the salesperson "may, or may not, have said..." I don't think I can fairly say that V12 ought to have come to a different conclusion, even with careful regard to all the other evidence available. Especially given the FHIO is an ADR body with special expertise in matters relating to furniture sales.

I've come to that conclusion while being mindful of Mr C's view that he doesn't think the FHIO had considered his mis-sale complaint.

The relevant part of the FHIO's decision says:

"I note from your application form you believe that you were misadvised at the point of sale. At the Furniture and Home Improvement Ombudsman, we are unable to consider verbal testimony. This is because it is impossible to verify what either party may, or may not, have said. Unlike a court we cannot take testimony under oath or cross-examine and can therefore only consider the documentary evidence supplied.

To confirm, I will not be upholding your claim."

Mr C argues that because the FHIO said it couldn't consider "verbal testimony" but only documentary evidence, it didn't consider misrepresentation at all — so V12 shouldn't rely on it. In support, Mr C also said there's nothing in the Consumer Rights Act 2015 (CRA) that says documentary evidence is required to prove a misrepresentation.

I understand Mr C's concerns about how the FHIO assessed the evidence. But the main issue I need to decide is whether the FHIO considered the mis-sale complaint at all, not whether it considered it in the way Mr C would prefer.

Taking the FHIO's decision as a whole, I'm satisfied it did consider the mis-sale aspect. It acknowledged Mr C complained about being "misadvised at the point of sale", and noted the difficulty in relying on verbal accounts alone. While it said it was "unable" to consider verbal testimony, I read that as giving it very little weight rather than setting aside the mis-sale complaint. That is broadly how I would approach the same issue.

Mr C hasn't shown me any correspondence from the FHIO saying it ignored the mis-sale issue. Nor have I seen anything to suggest mis-sale complaints are outside the FHIO's remit.

The FHIO's website, for example, states its members must abide by the FHIO's code of practice. The code requires members to provide goods that are as described, and with accurate product information to help consumers make informed decisions.

There's a section in the FHIO's Frequently Asked Questions section that describes the types of complaints the FHIO cannot consider — though nothing in that list excludes any of Mr C's complaint points.

On balance, I think it's likely the FHIO could and did consider Mr C's mis-sale complaint.

It's therefore fair, in my view, that V12 relied on the FHIO's findings as strong evidence that the salesperson's statements or omissions — that Mr C's claim fundamentally relies on — weren't sufficiently proven. Given the weight of that expert opinion I'm not persuaded, having regard to all the circumstances, that V12 acted unfairly by declining Mr C's section 75 claim.

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.

V12 didn't object to my findings, but Mr C did for reasons similar to what he said previously.

In summary, he said the FHIO didn't consider the merits of his mis-sale complaint, because procedurally it was unable to consider his verbal testimony.

He quoted the same part of the FHIO's decision that I previously quoted in my provisional decision, and concluded the FHIO didn't investigate whether mis-selling occurred because of its evidentiary limitations regarding verbal testimony. Unlike the Financial Ombudsman which can consider verbal testimony.

Mr C asked that I consider his complaint about his declined section 75 claim as distinct and separate from the complaint he raised with the FHIO.

I think it's important to note that I had considered Mr C's complaint about V12's handling of his section 75 claim in my provisional decision. That included a consideration of V12's reliance on the evidence before it and whether its decision to decline Mr C's claim was fair.

However, for the same reasons that I've already gone into, I don't think V12 unfairly relied on the FHIO's findings, which did cover the merits of Mr C's mis-sale complaint. Nor do I think V12's decision to decline Mr C's claim was unfair. I fully appreciate Mr C thinks differently. But as Mr C hasn't provided new evidence in support, I feel no need to expand further. If I did, I would only be repeating the same points I made before.

I could stop there. But for completeness, it's worth noting I would have still come to the same conclusion even if I had accepted the FHIO's ability to consider verbal accounts, while assessing the "mis-sale" aspects of Mr F's complaint, was constrained.

That's because, crucially, the FHIO would have still likely made a finding based on the documentary evidence available about Mr C's mis-sale points, and so still has considerable value. V12's decision to decline Mr C's section 75 claim is in line with those findings, and I would not have considered its decision unfair without strong evidence to the contrary.

I appreciate Mr C is unhappy with the FHIO's decision. But the FHIO, as a specialist in furniture sales, is still best placed to comment on such matters. And as Mr C has no direct evidence of what was or wasn't said in store, I don't find he provided enough evidence for me to conclude V12 should have come to a decision that's contrary to the FHIO's findings.

For those reasons, as well as the reasons I noted in my provisional decision, which forms part of my final decision, I don't find V12's decision to decline Mr C's claim was unfair, nor do I find that it acted unfairly in any other way. So I'm not recommending it do anything further.

My final decision

My final decision that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 September 2025.

Alex Watts
Ombudsman