

The complaint

Miss C has complained about the quality of furniture bought under a credit agreement with Secure Trust Bank Public Limited Company trading as V12 Retail Finance ("V12").

What happened

The circumstances of the complaint are well known to the parties so I won't go over everything again in detail. But, to summarise, Miss C said in May 2024 she placed an order for furniture, delivery and furniture protection from a retailer I'll call "S" after viewing the furniture in S's store. She paid for the furniture using a fixed sum loan agreement with V12. The total price of the goods, delivery, and furniture protection was around £3,400 and Miss C paid a £430 deposit. The agreement was to be paid back over around two and a half years.

Miss C said she reported several defects with the sofa supplied within 2 days of delivery on 10 August 2024. She said:

- The right facing armrest was flatter than the left facing armrest.
- The right facing middle lumbar support was higher than the left facing middle lumbar support.
- The leather on the right facing wooden foot slouched downwards compared to the left-hand side.
- The right facing seat seemed to be leaning towards and into the left facing seat.
- The right facing headrest edges were higher compared to the left facing headrest edges.
- The right facing seat slouches inwards compared to the left.
- There were differences with the headrest gaps.

Miss C also said she reported S had damaged her property during delivery. S sent a technician to inspect the furniture on 16 August 2024. Miss C said the technician agreed verbally there were defects but didn't confirm that in the report, which said there were no faults. Miss C said the furniture supplied was different to what she saw in the store. Miss C wanted to reject the goods and receive a full refund. S asked for evidence of the damage to Miss C's property. It offered to arrange an independent inspection and also offered to reduce the reselection charge to 10% of the furniture value.

V12 didn't uphold the complaint. It said S hadn't found any defects. It noted S had offered to arrange an independent inspection and reduce the reselection cost but said Miss C had opted to pursue her complaint elsewhere.

Miss C decided to refer her complaint to the Financial Ombudsman. She said the situation was putting a lot of strain on her recovery after surgery. She said she not only sought to reject the goods within 30 days but also sought to invoke her 14 day return rights. Meanwhile V12 had considered further Miss C's claim in relation to damage to her property. It noted S had offered her £75. It also offered £100 in respect of damage that may have been caused during delivery.

One of our investigators looked into things. She didn't think she'd seen enough to determine the goods weren't of satisfactory quality or as described. And she thought V12's offer in

relation to the damage to Miss C's property was fair. She didn't make any further recommendations.

Miss C didn't agree so 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 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 Miss C and V12 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.

Miss C bought the goods under a fixed sum loan agreement. Our service is able to consider complaints relating to these sorts of regulated consumer credit agreements.

I'm very sorry to hear Miss C has been unwell and that the situation has affected her health. It's important to set out up front that even if the complaint was upheld, I'm unable to make an award for loss of amenity so if Miss C was looking to pursue this aspect of the complaint, she may wish to seek independent legal advice because I can't cover it in a decision.

What I need to consider is whether V12 – as a provider of financial services – has acted fairly and reasonably in the way it handled Miss C's claim. It's important to note V12 isn't the supplier. I know Miss C is very unhappy with some of the things S has done, but I can't fairly hold V12 responsible for everything that may have gone wrong with S because it's a separate business. I've gone on to think about the specific protections that are available. In situations like this, V12 can consider assessing a claim under section 75 of the Consumer Credit Act 1974 ("s.75").

S.75 is a statutory protection that enables Miss C to make a like claim against V12 for breach of contract or misrepresentation by a supplier paid by fixed sum loan in respect of an agreement it had with her for the provision of goods or services. There are certain conditions that need to be met for s.75 to apply. I think those conditions have been met.

The Consumer Rights Act 2015 ("CRA") covers agreements like the one Miss C entered into with S. The CRA implies terms into the agreement that the quality of goods is satisfactory, fit for a particular purpose, as described, and match a sample or model seen (amongst other things).

The CRA says that the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price or other consideration for the goods (if relevant) and all other relevant circumstances. In this case the furniture was brand new, so should have been supplied as described, matched the sample or model Miss C saw and been free from even minor defects.

Miss C is essentially claiming she's been treated unfairly by V12 because it didn't uphold her claim for breach of contract. I think she's broadly saying she had grounds to return the goods because she cancelled within 14 days, or that she validly sought rejection within 30 days.

Certain distance contracts allow for a 14-day cancellation period. For example, contracts for

certain types of goods made over the phone or a website. In Miss C's case she visited one of S's stores as part of the process, so I don't think the contract would be the sort that came with a statutory 14-day cancellation period. S's website also sets out the cancellation period is only relevant for customers that have never visited a store to see the goods. So I don't think V12 was unfair not to uphold the claim on the basis of a breach of contract through S not allowing a valid cancellation.

However, the CRA sets out that if the goods don't conform to the contract Miss C would have had a right to reject those goods within 30 days of the day after the goods were delivered. Miss C sought to do this.

The problem I have is that I don't think V12 was supplied sufficient information to demonstrate there's been a breach of contract. I've carefully considered the report and Miss C's submissions, including the telephone call with the inspector. But I'm not a furniture expert, and neither is V12. Miss C hasn't supplied anything such as an independent report that sets out the furniture isn't of satisfactory quality, wasn't fit for a particular purpose, or that it didn't match the sample/model she'd seen in store. While I know Miss C thinks defects are obvious, I have to bear in mind that I don't know what the acceptable tolerances are for these sorts of products.

I appreciate the only report that was carried out wasn't independent, it was carried out by S. But I note that Miss C was given the option of an independent inspection as well. I understand she didn't agree. But I don't think V12 was unfair to have wanted to see more to conclude there'd been a breach of contract. Miss C may wish to see if S or V12 are still willing to have that inspection carried out. If Miss C is able to obtain further information to support the claim I'd expect V12 to consider it accordingly. But without more evidence, I don't find I have the grounds to say that V12's overall answer for the core claim that this complaint relates to was unfair.

For the avoidance of doubt, I'm not saying something definitely hasn't gone wrong, or that there are no issues with the sofa. What I'm saying is that V12 didn't have sufficient evidence to demonstrate there'd been a breach of contract.

Moreover, compensation for distress and inconvenience caused by S is limited with this type of complaint. Even if the complaint was upheld I'd need to consider what V12 can fairly be held liable for – which is the like claim Miss C would have in court against S for breach of contract or misrepresentation. Courts do consider what's known as general damages. But damages in breach of contract cases like this aren't generally recoverable for distress or inconvenience. So I don't have the grounds to direct V12 to pay Miss C a sum for distress and inconvenience a result of the alleged breach of contract.

With regards to how V12 handled things overall, I primarily need consider what happened up to when V12 sent its final response letter because the events preceding this relate to what it's had the chance to consider. While I can see Miss C was frustrated and had been speaking to V12 and S several times, I think V12 answered the core claim within a reasonable amount of time.

Finally, V12 offered £100 in relation to the damage Miss C said was caused by S's delivery team when it came to deliver the furniture. It also apologised for not addressing the issue sooner. It seems that this might've stemmed from S's inspector not providing photos to S showing the damage Miss C alleged had been caused. Although it's not totally clear why it wasn't addressed. V12 also said S had separately offered £75 compensation for the issue. Our investigator said after carrying out some research they thought the compensation seemed broadly fair in relation to the damage they'd been shown. I've not seen enough to conclude the compensation wasn't sufficient to cover the damage allegedly caused by the delivery team. So I agree the £100 and apology seems like a fair way to resolve this part of the complaint.

I should point out Miss C doesn't have to accept this decision. She's free to pursue the complaint by more formal means, such as through the courts, if she thinks she'd achieve a more generous outcome. Alternatively, she may wish to speak to S or V12 to see if the offer of an independent inspection is still on the table.

My final decision

Secure Trust Bank Public Limited Company trading as V12 Retail Finance has offered £100 compensation. I think this is fair in the circumstances. My decision is that, to the extent not done so already, Secure Trust Bank Public Limited Company trading as V12 Retail Finance should pay Miss C £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 28 October 2025.

Simon Wingfield
Ombudsman