

The complaint

Mr G has complained that Bank of Scotland plc trading as Halifax “Halifax” declined his claim for money back in relation to energy equipment he purchased.

What happened

In August 2024, Mr G bought a range of energy equipment for his home from a supplier I’ll refer to as X. The cash price of the products were £5,951.77 (including three batteries) and Mr G used his Halifax credit card to pay for the goods.

On 5 February 2025, the batteries Mr G purchased failed. Mr G says that while he installed them himself, the installation must’ve been done correctly as they worked for around 5 months with no issues. He felt the products failed due to an inherent fault and that the goods were not fit for purpose.

Mr G raised concerns with X and told them he’d need them to urgently look into this. Mr G lives in a place with no mains supply and needs to store his own electricity to be able to supply power to his home. X asked for Mr G to provide the response from the manufacturer who Mr G appeared to have also contacted. X also asked for read only copies of his VRM so X could check that Mr G had used the correct settings and usage and if he had, it would arrange for the collection and repair of the batteries. It did say Mr G would have to pay the shipping costs in line with its contractual terms.

On 13 February 2025, the manufacturers of the battery, who I’ll refer to as P, said they’d looked at the data that had been sent through by Mr G. This showed that the failure had been caused by an external failure. The data showed that on 5 February 2025, two of the batteries had been hit with a voltage that was above their operable limit which caused their failure. It said that, as the cause of damage was external failure, it would not be covered under the warranty. It said it could attempt to repair the batteries, but the costs would be chargeable.

Mr G and X continued to liaise, and Mr G demanded a repair or replacement urgently due to his reliance on the batteries. X said that Mr G’s resolution time demands were not reasonable.

Mr G says on 17 February Mr G raised a claim under section 75 of the Consumer Credit Act 1974 (section 75) with Halifax citing faulty goods. On 21 February 2025, Mr G ordered new equipment elsewhere and shortly after this had the batteries replaced. He felt that he’d offered X the opportunity to repair and replace the batteries and they hadn’t, so he’d replaced them.

In April 2025, Halifax declined Mr G’s claim saying he hadn’t provided X with the information it had requested to investigate his claim. It also said that as Mr G had now replaced the items, it was unable to commission its own report to establish a breach of contract claim and the evidence he’d supplied wasn’t sufficient to prove his claim.

Unhappy, Mr G raised a complaint explaining he had waited around two weeks before replacing the items. That he'd provided the information X had asked for but it kept asking for more information. Mr G said that he didn't need to prove why the batteries had failed, as they'd failed within six months from delivery, the duty was on X to explain the fault. Halifax declined Mr G's subsequent complaint for broadly the same reasons but did pay him £50 compensation for the delay in responding to his claim.

Unhappy, Mr G referred the complaint to our service. Mr G's complaint was considered by one of our investigators who didn't think Halifax had to refund to Mr G the costs of replacing the batteries. They pointed out that P had noted the failure had been caused by external failure, that Mr G had accepted he'd uploaded a new configuration to the system on 4 February 2025, and he'd swiftly replaced the batteries hindering an investigation. He did, however, feel that Halifax took a significant amount of time to respond to Mr G's claim, when it was aware of Mr G's need for a prompt resolution, given his energy supply needs. So, they recommended Halifax pay an additional £100 compensation for the time taken to deal with Mr G's claim and complaint.

Halifax agreed with our investigators view of the complaint and offered to pay Mr G £100 in compensation. However, Mr G didn't agree for the following reasons:

- The supplier was only willing to collect the batteries at his expense.
- No party had claimed the upload that Mr G had made the day before failure had been the cause of the failure of the batteries.
- As problems with the batteries happened within six months of delivery, it is presumed the fault is inherent.
- He needed to replace the items due to safety concerns, and this shouldn't be used as a reason to allow Halifax to avoid liability.
- He hadn't refused to allow the inspection of the batteries, but he'd confirmed as he'd already replaced them, the batteries were simply not in the same state as they were in when they failed.

As the complaint couldn't be resolved by our investigator, I've been asked to make a decision.

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.

Firstly, I'd like to reassure both parties that I've thought carefully about everything both parties have provided, but for much the same reasons as our investigator, I will not direct Halifax to do any more than it has recently offered and I'll explain why.

It may be helpful to explain that I need to consider whether Halifax – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr G's claim. Section 75 is a statutory protection that enables Mr G to make a 'like claim' against Halifax for breach of contract or misrepresentation by a supplier because he paid for the goods using his Halifax credit card. So, I need to consider whether, based on the available evidence, it was fair and reasonable for Halifax to respond to his claim in the way that it did, and if not, if there's grounds for me to uphold Mr G's complaint and order a remedy.

There are certain conditions that need to be met for section 75 to apply, such as the cost of the goods being within certain financial limits. Based on what I've seen I think those conditions have been met and Halifax doesn't appear to dispute this.

In order to uphold Mr G's section 75 claim on the basis that there has been a breach of contract, Mr G would need to evidence that X breached a term of the contract – and that caused him to suffer loss. He would have to show that either there was a breach of an express term of the contract or whether there has been a breach of an implied term. The Consumer Rights Act 2015 (CRA) implies terms into the contract that the goods must be of satisfactory quality, aspects of which include goods being durable and free from minor defects. The CRA also sets out what remedies are available to consumers if statutory rights under a goods or services contract are not met.

Mr G has claimed that the goods are not of satisfactory quality and are not fit for purpose. He's also pointed out that as they failed within six months of delivery, under the CRA, it is assumed that the goods were faulty when they were delivered to him.

I've considered whether there's sufficient evidence that the batteries were not of satisfactory quality – which is an implied term of the contract by the CRA.

Mr G is correct that, under the CRA, the onus is generally on X to show the batteries were of satisfactory quality when they were delivered to him, rather than Mr G having to show that they weren't as they failed within six months of purchase. However, the CRA goes on to say that this reverse burden of proof is not applicable in cases where either it is established that the goods were of satisfactory quality on the day of delivery or that the application of the burden of proof is incompatible with the nature of the goods or with how they fail to conform to the contract.

So, I've gone on to assess, based on the facts and evidence submitted whether I think the batteries were of satisfactory quality when they were given to him, or whether as Mr G says there's sufficient evidence that the batteries were inherently faulty. And having done so, I'm afraid I don't agree that there is sufficient evidence that the batteries were inherently faulty.

Mr G has accepted that the batteries worked as expected for many months after delivery, so he must've installed them correctly. P states that they failed after an external event. X has also noted that Mr G installed the batteries himself alongside a range of other equipment that may not be compatible.

I am also mindful that I am looking at a complaint against Halifax, not X. This service is not able to look into a complaint about the way X managed this claim. Mr G ordered replacement batteries only a few days after raising his claim with Halifax. Therefore, it has been unable to order an independent inspection – which has prejudiced its position.

Normally in a case like this, it's not unreasonable for a business like Halifax to instruct an independent expert to produce a report as to the likely cause of the damage. This would have determined whether it was due to installation/use/misuse/accidental damage by Mr G, or because the batteries are inherently faulty. But as the batteries are no longer installed and were removed by Mr G so soon after he raised concerns with Halifax, as explained in its claim declination, it was unable to order that report.

I appreciate Mr G did upload a new configuration into the system the day before the batteries failed. And while I do not know whether this is relevant, it may not be and an inspection would have helped determine that.

Mr G had no problems using the batteries for around 5 months and they were damaged due to an external failure – where a high amount of voltage was applied to two of the batteries. These facts appear to be undisputed.

So, the only independent evidence I can see in this case, is from P, the manufacturer who, as explained above, confirmed the fault was caused by an external failure – this is not supportive of Mr G's claim that the batteries are simply inherently faulty. But it looks like an external event caused them to fail. If not for the high voltage, I haven't seen anything to suggest that the batteries would have otherwise failed anyway because they are inherently faulty as alleged by Mr G. I find this evidence to be reliable and persuasive and indicates the batteries were of satisfactory quality on the day they were delivered to him but were damaged due to an external event.

I understand Mr G says that the batteries should be designed to withstand such voltage or have some measure to protect them in case of these sorts of situations, but he hasn't provided any corroborative evidence to support that the batteries are simply poorly designed as he alleges or that other batteries of this type and nature would have been able to cope – and therefore the batteries are not of reasonable quality.

Under our rules, I have to decide what I think is fair and reasonable in the circumstances of this complaint. Based on the facts and circumstances of this case I don't think it was unreasonable for Halifax to decline this claim. I think, the evidence strongly suggests, something external caused the failure of the items, rather than them being inherently faulty. And I think Halifax was entitled to have them inspected to see if any further information could have been obtained. While I sympathise with Mr G's needs of having power supply, I am mindful that the time given to Halifax before Mr G decided to replace the items was extremely limited - prejudicing its position. I don't think based on the facts and evidence in this case that it was unfair for Halifax to conclude that it's more likely the batteries were of satisfactory quality when they were delivered to him.

I agree that Halifax ought to have declined the claim sooner than it did to enable Mr G to progress matters. But Mr G replaced the items so soon after he raised his claim, that I don't think Halifax's delay has affected the outcome. So, other than the £100 compensation recommended by our investigator, and now offered by Halifax, I don't require it to do any more.

I should point out Mr G doesn't have to accept this decision. If he rejects this decision, he may be able to pursue the complaint by more formal means such as through the courts.

My final decision

For the reasons I've explained, I uphold this complaint in part. If Mr G accepts this decision, to the extent not done so already, Bank of Scotland plc trading as Halifax must pay Mr G £100 compensation, but I don't require it to do any more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 March 2026.

Asma Begum
Ombudsman