

## **The complaint**

Mr K complained about the way Secure Trust Bank Public Limited Company trading as V12 Retail Finance (V12) dealt with a claim for a sofa he bought using a fixed sum loan agreement.

Mr K is represented in his complaint. But to keep things simple I have referred to all submissions and actions taken from Mr K's representative as being made by Mr K.

## **What happened**

The parties are familiar with the background of this complaint, so I will summarise it briefly here. In October 2024, Mr K used a fixed sum loan agreement from V12 to buy a sofa from a retailer I'll call D. The amount of credit under the fixed sum loan agreement was around £2,580. Mr K needed to make monthly repayments of around £143 for 18 months. The sofa was delivered at the end of December 2024.

Mr K said he contacted D to report faults with the seats, a noisy motor, loose fabric on the backrest, and creaking and noise on different parts of the sofa. He said that a service appointment was arranged and an engineer visited in February 2025. He said that the engineer agreed to replace the seat covers where there were patches and loose fabric and the noisy motor as a goodwill gesture but didn't agree there were faults. Mr K said that D said it would consider the creaking and noise once the motor was replaced. However, Mr K said he was told it would take up to 12 weeks for the arranged repairs and replacements. There were two appointments arranged for March 2025, and Mr K said that these weren't attended. Mr K attempted to rearrange further appointments but wasn't successful.

He also complained to V12 and made a claim under Section 75 of the Consumer Credit Act 1974 (Section 75). In April 2025, V12 said it contacted D and it told it that the service appointments weren't attended due to issues outside of its control and didn't count as attempts to repair. It said as Mr K agreed to the repairs and D was trying to resolve the matter, V12 didn't agree that Mr K had the right to final rejection. It said that D didn't find a fault with the fabric or creasing of the sofa.

Unhappy with the delays and V12's position Mr K referred the complaint to the Financial Ombudsman. After the case was assigned to an investigator, V12 informed her that D had agreed to refund Mr K and arrange collection of the sofa. Mr K said that after months of delays D agreed to provide a refund, but he was still unhappy as he said that the sofa was faulty and V12 didn't handle the Section 75 claim correctly. The investigator reviewed the complaint and said she thought V12 acted fairly in the handling of the claim and although there were significant delays in the repairs that D agreed to do, she didn't think V12 needed to do anything.

Mr K disagreed and said that V12 didn't conduct a thorough investigation and added to the distress and inconvenience because it didn't find the sofa was faulty and this must have been the case as D agreed to collect and refund Mr K.

As the matter remains unresolved it 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.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules including the Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

Mr K bought the sofa using a fixed sum loan agreement with V12. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to this sort of agreement.

It's clear Mr K feels strongly about this matter, and I mean no discourtesy where I haven't commented on each individual point he has raised. I've focused on what I consider are the key elements of the complaint. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I'm not considering a complaint against D, but rather I'm looking at V12 as the finance provider and considering if it has acted fairly and reasonably in the way it handled Mr K's request for the final right to reject.

I've considered the applicable legislation and in this case Section 75 holds V12 liable for a like claim for any breach of contract or misrepresentation by the supplier - D, provided certain conditions are met. In order for there to be a valid claim under Section 75, there needed to be a debtor-creditor-supplier ('DCS') agreement in place and the financial limits have been met for a valid claim. I'm satisfied the criteria has been met.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. The CRA implies terms into the contract that goods supplied will be of satisfactory quality. The CRA also sets out what remedies are available to consumers if statutory rights under a goods contract are not met.

From the available evidence I can see that V12 didn't agree there was a fault and D offered repair or replacement as a gesture of goodwill. I've not seen the report that D did in February 2025, however as D has accepted the return and refunded Mr K I think even if there was a fault with the sofa which meant it wasn't of satisfactory quality, that breach has now been remedied so Mr K no longer has a like claim against V12. So, I won't consider the refund for the sofa any further.

I've noted from Mr K's response to the investigator's assessment that he thinks that V12 didn't do a thorough investigation, and it was liable for the faulty sofa. I've considered the actions V12 took once it was contacted by Mr K about the issues he had with the sofa.

At this point it is important to explain where two parties are jointly and severally liable for a breach of contract, this does not usually entitle a consumer to insist that one party alone provides a remedy. Consumers are expected to take reasonable steps to minimise their losses and where one party has already put forward a reasonable proposal to resolve matters it may be appropriate for the other party to rely on that proposal.

I can see that V12 contacted D to establish what had happened. V12 was informed that no fault had been identified, but that D had nonetheless offered to repair the sofa. Although the service appointments were not attended, this didn't mean that Mr K was entitled to reject the

sofa and seek a refund at that stage. V12 explained this position to Mr K and continued to engage with D to obtain further information.

I acknowledge that there was a significant delay in the sofa being repaired, and it appeared that D ultimately agreed to refund Mr K as a result. However, based on the information provided, I am satisfied that V12 handled Mr K's claim fairly. V12 noted that D had agreed to repair the sofa (albeit with delays) and that the issue had been reported more than 30 days after delivery. In these circumstances I wouldn't have expected V12 to take further action once a repair had been offered by D, and without sufficient evidence that the sofa wasn't of satisfactory quality.

I accept there was a lengthy period between D agreeing to repair the sofa and later agreeing to provide a refund. However, in claims of this nature, the financial services provider is not generally liable for compensation arising from the breach of contract by the supplier. Having considered everything carefully, I am satisfied that V12 dealt with the claim fairly and reasonably, and I don't consider it appropriate to require it to pay compensation.

I appreciate that Mr K feels strongly about this matter, and I recognise that this outcome will be disappointing for him. But taking everything into account, I don't think V12 acted unfairly or unreasonably in the way it assessed the Section 75 claim. So, I'm not going to direct V12 to take any further action.

I should point out that Mr K doesn't have to accept this decision. If he remains dissatisfied, he may wish to seek independent legal advice and pursue the matter through a more formal channel such as the courts. Alternatively, Mr K may wish to refer his complaint about D to the Furniture and Home Improvement Ombudsman as suggested by V12.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 February 2026.

Amina Rashid  
**Ombudsman**