

The complaint

Mr P's complaint is about National Westminster Bank Public Limited Company's handling of, and decision not to uphold, a dispute about two sofas which he says are faulty.

What happened

In June 2021 Mr P purchased two sofas from a supplier (who I'll refer to as 'J' throughout this decision) with a total value of around £6,000. The sofas were delivered in October 2021.

In September 2022 Mr P says he'd experienced problems with the cushions on one of the sofas retaining their firmness and appearance. He referred to J to look to resolve his concerns.

An engineer report conducted on behalf of J identified the issues to be caused by a manufacturing fault. A repair was attempted by an engineer.

Mr P experienced the same problems with both sofas by early 2023. He contacted J and it sent another engineer, which reported the issues weren't as a result of a manufacturing fault, but rather how Mr P was maintaining the sofas. However, a further attempt at repair was offered.

In August 2023 Mr P contacted NatWest to make a claim under Section 75 (S75) of the Consumer Credit Act 1974 (CCA). NatWest suggested he engage with J to look to resolve the matter, as a further repair had been offered.

Mr P engaged with both J and NatWest after this point and in July 2024 a further engineer visit was arranged. J provided new cushions and the engineer installed these. The engineer also provided care instructions for dressing and maintaining the sofas. The engineer reported the issues weren't as a result of a manufacturing fault.

Mr P got back in contact with NatWest to pursue a S75 claim. NatWest asked Mr P to obtain an independent report to provide details of the problems; Mr P instructed a third party which concluded the issues were due to a manufacturing fault.

Mr P referred his complaint to our service after NatWest failed to consider the independent report he'd provided.

Our investigator reviewed the details and upheld the complaint. He concluded the issues Mr P was experiencing were due to a manufacturing fault with the sofas, as had been set out within two engineer reports. He therefore said NatWest was liable to refund Mr P under a S75 claim. He considered NatWest was entitled to deduct fair usage from the redress and ultimately set out that it should refund Mr P 30% of the total value paid for the sofas. Our investigator also said NatWest should refund him the cost of the independent report with interest and pay him an additional £100 for the distress and inconvenience caused.

NatWest accepted our investigator's view; Mr P didn't and asked for an ombudsman's review.

I recently issued a provisional decision where I set out, with reasons, my initial thoughts on this case and what I was intending to decide.

The below is an extract from my provisional decision:

“The information in this case is well known to Mr P and NatWest; and I’ve seen our investigator set out the S75 process within their view. So, I don’t intend to repeat this information here.

Instead, I’ve focused my decision on what I consider to be the key points of this complaint. I don’t mean to be discourteous to Mr P or NatWest by taking this approach, but this simply reflects the informal nature of our service.

NatWest has accepted our investigator’s view and recommendations on how to fairly resolve this complaint. As such, there’s no longer an ongoing dispute about liability under a S75 claim. But Mr P isn’t in agreement with the recommended redress, so I’ve focused my findings and decision on this.

I would set out though, for completeness, that I’m satisfied the details of Mr P’s claim meet the S75 qualifying requirements – in that there is a valid Debtor, Creditor, Supplier (DCS) agreement, and in terms of the cash price paid to purchase the sofas.

I’ve also considered whether NatWest acted reasonably by not raising a chargeback claim on Mr P’s behalf; and having done so I consider it did. I say this because by the time Mr P raised his concerns with NatWest, he was outside of the Mastercard card scheme operators’ timescales for raising a chargeback under the relevant dispute condition. So, I don’t consider it acted unreasonably by not raising a chargeback claim on Mr P’s behalf.

I’ve gone on to consider the redress our investigator has recommended to resolve this complaint.

I’ll start by saying as I’m satisfied the S75 claim should succeed, it follows that NatWest should refund him the cost of the independent report it directed him to obtain, together with interest.

I’m also in agreement that NatWest should pay Mr P an additional £100 for the distress and inconvenience of this ongoing situation. I say this because I consider there were opportunities when NatWest could reasonably have acted earlier than it did; but I am mindful that it has already paid Mr P £50 in recognition of some customer service issues.

I’ve reviewed the timeline of events that took place, and having done so I think NatWest could have provided more assistance to Mr P in August 2023, rather than directing him back to J. I say this because by this point Mr P had already raised his concerns with the quality of the sofas with J; and a repair had been attempted. So, when he continued to experience similar issues with the sofas and the repairs that had already been attempted, I consider it was reasonable for NatWest to have considered his S75 claim.

I say this because the Consumer Rights Act 2015 (CRA) provides for one attempt at repair or replacement before a consumer has the right to reject. As such, when Mr P made NatWest aware of his S75 claim in August 2023 there was an opportunity for it to have considered his claim, rather than direct him back to J. However, I’m mindful that at this point the report that J had initially instructed set out a manufacturing fault with one of the sofas, not both. The further report provided in May 2023 didn’t conclude the problems were as a result of a manufacturing fault; and I consider a reasonable level of weight would have been

put on the conclusions of these conflicting reports by NatWest, as part of any review of his claim. I also don't think it was entirely unreasonable that as Mr P had concerns with both of the sofas, and J had agreed to complete further repairs, that NatWest suggested he return back to J to look to see if the issues could be resolved.

Turning now to the redress for the sofas, I've thought very carefully about what I consider to be a fair resolution. This includes considering the provisions set out within the CRA, which states under Section 24 and provision [8] that if a right to reject is exercised after the initial six month period, a trader may apply a reduction to account for the use of the goods or services the consumer has had.

Having considered this provision and whether a reduction for the use of the sofas would be reasonable here; I consider it would. However, I'm not persuaded that a value of 70% for fair usage is reasonable in the circumstances. Having carefully considered all of the information available to me, I currently consider a value of 15% for fair usage is reasonable.

I say this because:

- *Mr P reported problems with one of the sofas within a year of delivery, and raised problems with both of the sofas shortly after this. Further problems were reported within around six months of the initial repair being conducted.*
- *The initial report found there to be a manufacturing fault, and so Mr P was entitled to repair or replacement. Once one repair hadn't successfully resolved the problem, Mr P was entitled to rejection of the goods, albeit with a reduction for fair usage.*
- *I acknowledge Mr P has now had possession and use of the sofas for around four years; however, I'm persuaded by his testimony that his use and enjoyment of the sofas across this time has been impaired due to the ongoing dispute and subsequent complaint process.*
- *Given the individual cash price of these sofas, and the [15] year guarantee for the frames, I consider Mr P should reasonably have expected a much longer period of use without fault or the problem he encountered.*

I therefore consider it reasonable that Mr P can reject the sofas and NatWest can apply a reduction of the cash price of 15% for fair usage."

NatWest responded to my provisional decision and said it had nothing further to add; Mr P responded and didn't accept it. In summary, he maintained his arguments that he should receive a full refund of the sofas as he estimates it will cost him around £7,500 to replace them. Mr P also maintains that NatWest took an unreasonable amount of time to consider his dispute, which has added to the delays in it being resolved.

Our investigator engaged with both parties following the provisional decision. As time frame for both parties to respond has now passed, I've considered the responses and proceeded to issue this final 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.

Having done so, I've not been provided with any new information or evidence from either party which leads me to conclude I should depart from the findings I reached within my recent provisional decision. As such, I consider the outcome and redress direction I reached within my provisional decision to remain a fair resolution to this complaint. I say this because:

- Despite Mr P's expectation of receiving a full refund for the sofas, his dispute was raised more than six months after delivery of the goods.
- The CRA provides for a firm to apply a deduction for fair use if the right to reject the goods is exercised after six months of delivery.
- I don't consider it wholly unreasonable that NatWest suggested Mr P return to J for further repair work to be completed, especially given the initial concerns reported had extended to both sofas, and there were conflicting reports on manufacturer liability.
- Inevitably this process was drawn out, but I consider an additional £100 distress and inconvenience payment to be fair, for the reasons set out within my provisional decision.

I would like to assure both Mr P and NatWest that I've very carefully considered the details of this case, even though I may not comment on all points raised. As I set out within my provisional decision, I acknowledge my redress direction will be disappointing to Mr P. However, my role here is to reach a fair and reasonable outcome to both parties, based on a number of considerations which includes relevant law, rules and regulations.

Putting things right

In order to fairly resolve this complaint NatWest should take the following action:

- Allow Mr P to reject the sofas and apply a deduction of 15% from the total cash price paid for fair use.
- Rework Mr P's credit card removing any interest and charges that may have been applied to the transaction amount. If the balance was repaid in full apply 8% simple interest from the date of payment to the date of settlement.†
- Arrange collection of the sofas at no cost to Mr P.*
- Upon receipt of an invoice, refund Mr P the cost of the independent report he obtained in August 2024 to support his \$75 claim; and apply 8% simple interest from the date of payment to the date of settlement.†
- Pay Mr P an additional £100 for the distress and inconvenience caused.

† HM Revenue & Customs requires NatWest to take off tax from this interest. It must give Mr P a certificate showing how much tax it's taken off if he asks for one.

*NatWest has indicated that it won't collect the sofas as part of this redress. However, it has set out that Mr P can arrange for a charity to collect them or to arrange a bulky item collection through his local council, and that NatWest will cover this small cost. This feels reasonable to me, so I leave Mr P to liaise with NatWest on this point once he decides how to proceed.

My final decision

My final decision is that I uphold Mr P's complaint and I direct National Westminster Bank Public Company Limited to take the above action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 December 2025.

Richard Turner
Ombudsman