

The complaint

Ms S complains about the way Shawbrook Bank Limited ('SB') handled her claim for a refund.

What happened

On 6 December 2023, Ms S entered into a fix sum loan agreement (the 'agreement' or the 'loan agreement') with SB to finance the supply and installation of windows (the 'works') by a company I'll refer to as 'H'. The total amount payable under the agreement including the cost of credit was £15,109.20. In early January 2024, the windows were fitted but almost immediately, Ms S noticed there were things wrong so reported this to H. Not being happy with H's response, she referred matters to SB to make a claim under section 75 of the Consumer Credit Act 1974 for breach of contract. SB arranged for an independent assessment to be carried out by an expert contractor (the 'expert'). The expert's report (the 'report' or 'expert report') identified there were problems with all the (five) windows which would need to be replaced.

Initially, SB said that the expert would carry out the repairs. However, when Ms S said she wanted to arrange for this herself using her own contractor (the 'contractor'), SB agreed to this on the condition Ms S obtained quotes from the contractor before any works were carried out. Unhappy with this resolution, she complained to SB about how it'd handled her claim. In addition, she complained about SB releasing the loan funds to H when she hadn't signed the satisfaction note - this document was purportedly signed by Ms S but she denied the signature was hers. When SB rejected Ms S's complaint, the matter was referred to our Service.

Our investigator thought SB had handled Ms S's claim fairly and reasonably, so he didn't recommend upholding the complaint. Ms S disagreed and, amongst other things, said she'd reported the matter to the police about the satisfaction note being signed fraudulently. And given it was signed fraudulently, she should be released from the loan agreement with SB and receive a full refund so she could arrange for her own replacement windows. As no agreement could be reached the matter was passed to me for a decision.

I issued a provisional decision, reaching the same conclusion as our investigator but providing additional reasoning. Ms S disagreed. Amongst other things, she said: she's entitled to a full refund; repeat performance isn't the only 'reasonable' remedy'; she wants to appoint her own contractor without any involvement of SB; she referred to various remedies a court could award and a number of legal provisions including the Consumer Rights Act 2015; she doesn't want to be tied to the loan which she shouldn't have to be given the problems she's had with the windows; and there are financial barriers to taking this matter to court.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. However, I've given careful

consideration to all of the submissions made before arriving at my decision. Having reconsidered everything, my final decision remains the same as that set out in my provisional decision which is as follows:

In order to decide what is fair and reasonable I consider relevant law and good practice. It's worth noting here that I'm only looking at the actions of SB in its capacity as a finance provider and not the actions of the supplier (H) (except where SB might reasonably be responsible for said actions in accordance with relevant law). Here I think section 75 ('section 75') of the Consumer Credit Act 1974 ('CCA') is particularly relevant. This can make SB responsible for a 'like claim' for breach of contract or misrepresentation by a supplier of goods and services financed by its loan. I consider the particular criteria for a valid section 75 claim are met here (in relation to the contracting parties and financial limits) so I've gone on to consider whether there is a breach of contract or misrepresentation by the supplier.

Handling of the section 75 claim

Whilst I very much sympathise with Ms S's situation in this case, and I'm sorry to hear about her ill health which she says has resulted from the matters that led to this complaint, from what I can see SB has acted fairly and reasonably in the way it dealt with her section 75 claim for breach of contract. As noted above, in reaching this conclusion I've had regard to relevant law including the Consumer Rights Act 2015 (satisfactory quality, acting with reasonable care and skill etc).

Neither party to this complaint disputes that SB is liable for the breaches of contract identified by the independent expert who said this was due to 'poor fitting' and was a 'poor product'. As a result of these issues, the expert said all five windows would need replacing at a cost of £7,340.26. SB accepted the findings of this report and offered to arrange for the expert, who is also a contractor, to carry out the works at no cost to Ms S. When she said she wanted to instruct her own contractor, SB said it would agree to this so long as she provided two detailed quotes.

Under the CRA, Ms S does have a short term right to reject any goods that aren't of satisfactory quality. However, it wasn't just goods that were supplied – the windows were fitted by H, so a 'service' was also included in the contract Ms S has with H. Under the CRA (section 49) when services aren't carried out with reasonable care and skill, the usual remedy is either for repeat performance or a price reduction (see section 54(3)). In my view, given SB offered to not only replace the defective windows, but also offered to pay for the works to be carried out (i.e. repeat performance), I consider it acted fairly and reasonably here.

Ms S says she wants to, in effect, reject the windows and treat the contract as coming to an end. Under section 54(7) of the CRA, there are other remedies a consumer can seek for a breach of contract related to the service including this particular remedy. However, I can't conclude that SB's offer was unreasonable just because there were other remedies available. And whilst there may have been alternative remedies under the CRA, I think SB offering to carry out the works in line with the primary remedies under section 54(3) as a first step to resolving matters, wasn't an unfair or unreasonable thing to do.

I also see Ms S told SB she didn't want H to carry out the repairs. In response, as noted above, SB agreed that she could instruct her own contractor so long as she obtained relevant quotes for the works. I appreciate Ms S no longer wants SB to be involved in any repairs, but as it has offered to pay her to use her own contractor, I think it has made a reasonable and fair offer here.

Ms S says she wants SB to be liable to pay for consequential losses such as damp which she says has been a result of the way the windows were fitted. From what I can see SB

offered to review this request once the replacement windows had been installed when it said to Ms S: “[SB] can confirm that [Ms S’s] request for compensation will be considered when the remedial work to [her] windows has taken place and a full review of [her] claim is undertaken.” SB subsequently said that it wouldn’t be held liable for matters which may have been caused due to the delays in carrying out remedial works given its offer was made by no later than mid-2024. However, Ms S says SB is responsible for the delays because it hasn’t made her the offer to bring the loan agreement to an end, fully refund her and have the windows removed.

From what I can see, SB received the section 75 claim in February 2024. In the first instance it liaised with H but once it became clear that Ms S didn’t want this contractor to carry out the repairs, SB arranged for an independent expert (contractor) to look at things in May 2024. Shortly after receiving this report, it made Ms S its initial offer. After considering Ms S’s request to instruct her own contractor, SB reconsidered everything and gave her an answer in August 2024. I don’t think SB has caused unreasonable delays here.

I should also say here that, generally, we would expect consumers to mitigate any losses. And whilst I understand Ms S’s reasons for not wanting to let the expert carry out the work or no longer have SB involved in any repairs, I think SB made her a reasonable alternative offer to instruct her own contractor once it received the requested quotes. So, I don’t think SB is acting unfairly for not agreeing to cover any consequential losses that may have resulted from delays.

Ms S adds that SB caused delays in terms of dealing with her complaint (i.e. delays in issuing a final response letter after she complained). But as our investigator has said, as this falls within SB’s complaint handling procedures, this isn’t something that falls within our remit. And I can’t see that this particular issue delayed matters as far as the section 75 claim was concerned.

I’ve taken on board what Ms S says about SB not providing her with a copy of the report. But I can see that this report wasn’t particularly detailed (other than in terms of setting out what the costs were and what the remedy should be). And SB did summarise the report findings in its correspondence to Ms S as well as making an offer in line with the recommendation of the report. So, even if I accept that SB could’ve sent the report to Ms S when she requested it, I can’t see there’s been any detriment here.

Further, I note Ms S has asked for an award of compensation for the distress and inconvenience caused. But I can’t hold SB liable for any service issues caused by H. The only matters that SB is liable for are those matters that relate to the breach of contract and, in my view, as far as the breach is concerned, SB has made Ms S a reasonable offer to put things right. As far as the way it handled Ms S’s claim, I think SB handled this reasonably and fairly, so I won’t be asking it to pay compensation for matters related to the service it provided.

The loan agreement

Ms S considers that SB shouldn’t have released the funds because she hadn’t signed the satisfaction note (the ‘SN’) which she says was signed fraudulently by H. This has been disputed by H who told SB that following the works, whilst Ms S was unhappy with the overall finish and declined to sign the SN initially, once a date was agreed for H to return and carry out remedial works, Ms S signed the SN at this point. However, H did tell SB the date on the SN had been previously populated and wasn’t the date it was actually signed.

Taking all of this into account, and whilst I know Ms S strongly disputes what H has said, I don’t think SB has acted unreasonably and unfairly here. SB took steps to try to find out what happened by contacting H after Ms S reported she was unhappy with the works and

hadn't signed the SN. Further, there are limits to what SB could've reasonably have known when it received the SN which in turn triggered it to pay H at that point. On the face of it, this was signed by Ms S. I know the matter is now in the hands of the police but ultimately, I can't say that SB acted incorrectly when it paid the funds to H which, from what I can see, was paid in line with the loan agreement. Further, even if I accept Ms S wasn't satisfied with the works, SB taking steps to work with her and H to try to find a suitable remedy, wasn't an unfair or unreasonable thing to do.

Ms S says she has been advised by advisory agencies to stop the repayments towards the loan agreement until the contractual matters with H had been resolved. I can't comment on what Ms S has been advised to do and I also can't decide on whether the loan agreement is enforceable (or not) – only a court can decide this. That said, from everything I've seen, SB has acted correctly in paying the funds over to H as this was in line with the loan agreement.

SB has also accepted liability under section 75 and offered to cover the cost of repairs. So, I can't say that SB has acted incorrectly for continuing to request repayments from Ms S, who I understand is still making her contractual repayments. Ms S has told us that she was told by one of SB's agents the loan would be written off due to the allegation of fraud. From what I can see, whilst SB did advise her to contact the police to report these allegations it hasn't agreed to write off the debt. And for the reasons set out above, I don't think it's done anything wrong in this regard.

I note what Ms S says about SB not being able to find her details when she first called to complain about H. But this matter seems to have been quickly resolved, and I can't see this caused any detriment to Ms S's claim and/or didn't mean the loan wasn't in place at the time of her call.

Ms S says she has no signed agreement but from her recollections of the sale, which she made to H in an email dated 24 January 2024, she does accept signing the agreement at the point of sale which, as I understand it, was done electronically. Further, Ms S was aware that the supply and installation of her windows was being funded via the loan agreement and knowing this, she still proceeded with the works. Ultimately, I don't think there's persuasive evidence to show that Ms S didn't agree to the loan agreement.

So, whilst I appreciate this isn't the outcome Ms S was hoping for, I'm not intending to uphold this complaint. As noted above, my role is to look at things informally. So, if Ms S disagrees, she can reject my decision and pursue matters by alternative means if she wants, such as court (seeking appropriate advice in the process).

I want to make it clear that in reaching this decision, I've taken account of all Ms S's further submissions in response to my provisional decision. However, I can't see that she's provided anything substantially new. For completeness, in addition to what I've said above, I note the following:

- I am not saying there aren't any other remedies that a court may award. But from what I can see the remedy that SB has offered Ms S is in line with (for example) those set out in the Consumer Rights Act 2015. So, in terms of how it handled Ms S's section 75 claim, I think it's acted fairly and reasonably.
- I've noted all the other law that Ms S has referred to but having regard to all relevant law, I'm still satisfied SB has acted fairly and reasonably here.
- I also take on board that there are financial barriers to taking matters to court. I fully sympathise with what Ms S says in this regard. But, ultimately, my role here is to decide if SB has acted fairly and reasonably in the way it handled Ms S's claim. And for the reasons set out above, I'm satisfied it has.

- I appreciate Ms S wants to be released from her loan obligations. And she's referred to the issue of the SN being signed fraudulently as one of the reasons for this. But as I've set out above, on the face of it, I think SB acted fairly and reasonably when it paid H, as this appears to have been in line with the loan agreement. And I don't think there's persuasive evidence Ms S didn't agree to the loan agreement itself.
- I know Ms S doesn't want SB to be involved in future repairs of the windows. But as noted above, it has agreed that Ms S can employ her own contractor, so I think it has acted fairly and reasonably in this regard.

So, whilst I've reconsidered everything, for the reasons set out above, my decision remains that I'm not upholding this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 5 January 2026.

Yolande Mcleod
Ombudsman