

The complaint

Mr S complained about the way Creation Consumer Finance Ltd (Creation) dealt with a claim for a sofa he bought using a fixed sum loan agreement.

What happened

The parties are familiar with the background of this complaint, so I will summarise it briefly here. In January 2025, Mr S used a fixed sum loan agreement from Creation to buy a sofa from a retailer I'll call D. The amount of credit under the fixed sum loan agreement was around £2,220. Mr S needed to make monthly repayments of around £41 for 48 months.

The sofa was delivered in May 2025. However, there were issues with delivery of the corner sofa with difficulty getting it inside the house. Mr S said this was because it couldn't be disassembled and said he was told this could be done by D. The delivery driver suggested that Mr S take a windowpane out to take delivery of the sofa.

Mr S visited D and was told that he couldn't cancel the order, or he would be charged. Mr S arranged for the delivery of the corner sofa and a windowpane to be removed to do so. He incurred a cost of £150 for the removal of the windowpane, and D agreed to contribute £100 as a gesture of goodwill and sent Mr S a hamper and the sofa was redelivered without charge.

Once the sofa had been delivered, Mr S raised a claim under Section 75 of the Consumer Credit Act 1974 (Section 75) with Creation. Creation contacted D and said it was told that the issue wasn't a manufacturing fault and the sofa was made in line with the specifications on its website at the time. It didn't agree that the back of the corner part of the sofa could be disassembled and that it was Mr S' responsibility to ensure that the measurements were correct to ensure the sofa could fit into his property. Creation didn't agree there was a breach of contract or misrepresentation.

Mr S referred his complaint to the Financial Ombudsman. He said he was told when he bought the sofa the backs of the corner sofa were removable and because this wasn't the case, the sofa was mis-sold. He said he wanted the sofa replaced with the correct specifications or compensation for the cost of the sofa, and for the distress and inconvenience caused.

Our investigator reviewed the complaint but didn't uphold it. She said she didn't think there was a false statement of fact which meant the sofa was misrepresented and there wasn't evidence to show the sofa wasn't as described, so didn't agree there was a breach of contract Creation could be held liable for.

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 S bought the sofa using a fixed sum loan agreement with Creation. 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 S 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 Creation as the finance provider and considering if it has acted fairly and reasonably in the way it handled Mr S' request for a replacement or money back.

Where evidence is incomplete, inconsistent or contradictory, as some of it is here, I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I've considered the applicable legislation and in this case Section 75 holds Creation 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. It says that under a contract to supply goods, there's an implied term that the goods are of satisfactory quality and are of a standard that a reasonable person would regard as acceptable, taking into account things like the description of the goods, the price and other relevant circumstances.

Misrepresentation

To determine whether a misrepresentation occurred, I must consider whether D made a false statement of fact which induced Mr S to enter into the contract and, as a result caused him to suffer a loss.

Mr S has said that when he purchased the sofa, he discussed the available space and access to his property with D and was told that the sofa would fit his lounge space and as the sofa came disassembled it would be easily delivered. As part of its investigation into the Section 75 claim, Creation said that D informed it that only the backs of the sofa were removable and not the corner section.

It's difficult for me to determine exactly what was said when Mr S discussed this with D and I've not seen documentary evidence to support that this discussion took place or what Mr S was specifically told about the corner section of the sofa and whether this could be removed. Mr S said as a result of D's incorrect statement about the ability to disassemble the sofa, meant that the sofa wasn't able to fit into the property without the requirement to remove a windowpane. This resulted in a cost of £50 for him (after the contribution of £100 paid by D). He also said that D redelivered the sofa without charge and sent him a hamper, and questioned why D did this if it gave him the correct information.

I acknowledge Mr S said D's agreement to contribute towards the cost of removing the windowpane, and because it sent him a hamper and redelivered for free, this indicates the sofa was faulty. However, I haven't seen any evidence D accepted it had made an error, rather was looking to find a solution to the problem Mr S had encountered. I also don't think D's actions here evidence that the sofa failed to meet its specifications and that Mr S entered into the contract based on a specific statement which detailed that the sofa he ordered would definitely fit his property including measurements. I have also noted from D's website that it advises measuring to ensure the sofa would fit and provides a measuring guide. I haven't seen evidence to show the dimensions of the sofa and that this was different to what Mr S agreed to.

I've considered all the available information, and I'm not satisfied there is sufficient evidence to show that Mr S was told that the section of the corner sofa could be disassembled and evidence to show that this was the reason why it wouldn't fit into the property (rather than the overall size of it). Therefore, I'm not persuaded that there was a false statement of fact which induced Mr S into the contract. I don't therefore consider Creation acted unfairly when it declined the claim.

Breach of contract

Additionally, I've also thought about whether or not the sofa was not as described, which resulted in a breach of contract. Mr S said that D acknowledged that there was a design flaw and updated its website to say that the back of the sofa could be removed. Again, without sufficient evidence to show that the sofa could be fully disassembled and evidence that it was as a result of the corner section being unable to be removed, I'm not persuaded Creation acted unfairly in declining the Section 75 because there wasn't evidence of a breach of contract.

I've also considered the service Mr S received from Creation as part of its handling of the Section 75 claim and I think it asked for the relevant information and within a reasonable time frame. So, I don't think it's fair to direct Creation to pay compensation for the way it handled the Section 75 claim.

I understand Mr S will be disappointed with my decision. I have to consider the complaint about how Creation handled the claim thinking about its liability as a provider of financial services. And based on what I've seen I don't think there are grounds to direct it to do anything more in respect of the Section 75 claim or pay Mr S pay any compensation or reimburse him the remaining cost to remove the windowpane, as I can't reasonably conclude based on the available evidence, that there was a misrepresentation or breach of contract.

My final decision

For the reasons explained above, my final decision is that I do not uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 February 2026.

Amina Rashid
Ombudsman