DRN-6068734

The complaint

Miss M has complained about a built-in wardrobe she paid for using a fixed sum loan agreement with Creation Consumer Finance Ltd ("Creation").

What happened

The parties are familiar with the background of this complaint, so I will summarise it here, which reflects my informal remit.

In August 2024 Miss M arranged for a retailer, who I will refer to as W, to design, supply and fit a built-in wardrobe at her property. The cash price attached to W's goods and services was £4,969.69. Miss M paid an initial deposit of £563.83, and the remaining £4,405.86 was financed through a fixed sum loan agreement with Creation.

Miss M says there were initial delays in the delivery and installation of the wardrobe, and when the installation was completed, a visible gap remained around the wardrobe including the space below the angled ceiling. Miss M was unhappy as she believed the wardrobe would be fitted from floor to ceiling.

Miss M contacted both W and Creation in September 2024, explaining that the wardrobe installed did not match the contract pack she'd signed. She asked for the wardrobe to be removed and for the agreement to be cancelled.

Creation raised a claim under Section 75 of the Consumer Credit Act 1974 (section 75), and W arranged for remedial work to be carried out, which Miss M agreed to. Miss M explained that she had originally wanted a cornice to be fitted, but due to the wardrobe not being fitted properly, she felt she had no choice but to accept the filler panel as a compromise, something which didn't meet her initial expectations.

On 30 November 2024 the installer returned to use the filler to cover the gaps, but Miss M remained unhappy with the finishing of the wardrobe. W offered £195 in compensation, but Miss M didn't accept this, as she wanted the agreement cancelled and the wardrobe collected.

Creation issued its final response in January 2025. It said Miss M had accepted the remedial work, that this work had been completed, and that W's offer of compensation was fair. Miss M remained unhappy with Creation's response and referred the complaint to our service.

An investigator reviewed Miss M's case and noted there had been a breach of contract, that the goods didn't conform to the contract and that Miss M had exercised her short-term right to reject the goods. The investigator proposed that Creation terminate the loan with nothing further to pay, arrange for the wardrobe to be removed, refund the deposit and any payments Miss M made, and add 8% simple interest from the date of payment to the date of settlement.

Creation didn't accept the investigator's recommendation. It provided a copy of an email W had sent to Miss M in May 2024, explaining it wasn't possible to part angle the doors, and included an image showing a border between the angled doors in the wardrobe and the ceiling.

Creation also provided W's comments that Miss M had agreed with the installer to use filler instead of a cornice and that the bedroom was installed in line with the contractual summary. However, W, did increase its compensation offer to £1,081.96 to settle the complaint.

Miss M said she only allowed W to carry out the remedial work because she was told her complaint wouldn't be reviewed until the work was signed off. She said had she been aware of her right to reject the goods at the time, she wouldn't have agreed to the repairs. She also said she felt pressurised to sign paperwork by the installer as they would not leave her house until she signed the completion form.

As neither side were able to reach an agreement, the matter was passed to me for a final decision.

I issued a provisional decision which said the below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Whilst I've read and considered the evidence submitted by both parties, I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

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

Miss M paid for the design, supply and installation of the wardrobe using a fixed sum loan agreement. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to these sorts of agreements.

I take into account the relevant law. So, in this case section 75 makes Creation responsible for a breach of contract or misrepresentation by W, under certain conditions. In Miss M's case, I think the necessary agreement between the parties exists and the claim is within the relevant financial limits.

The Consumer Rights Act 2015 (CRA) is also relevant to this complaint. The CRA implies terms into the contract that traders must perform the service with reasonable care and skill. Additionally, the CRA implies terms into the contract that goods supplied will be of satisfactory quality. The CRA sets out what remedies are available to consumers if statutory rights under a goods or services contract are not met.

It's important to note that I'm not considering a complaint against W. I'm considering a complaint against Creation. So, I have to consider Creation's obligations as a provider of financial services. In this case their liability for breach of contract or misrepresentation under section 75. It's also important to note that compensation for distress and inconvenience caused by a supplier is limited with this type of complaint. I appreciate Miss M is very upset about what's happened in her dealings with W. But I have to consider what Creation can be held responsible for, which is the like claim Miss M would have in court against the supplier for breach of contract or misrepresentation.

Both Creation and Miss M agree that the wardrobe was not initially installed to a satisfactory standard and needed to have remedial work done to fix the issues. So, I consider it's

reasonable to accept that there was a breach of contract. The main issue that needs considering here, is how that breach should've been put right.

The investigator treated the circumstances as one involving "goods" which led to the suggestion that Miss M could've rejected the wardrobes entirely when the breach occurred. I appreciate that the investigator had her own opinion about this but having reviewed the legislation I don't agree with this interpretation. Although Miss M did purchase goods (the wardrobe), the key issues she raised related to how the wardrobe was designed, measured, and installed. These aspects formed part of the installation service, and so the relevant remedies applicable here, are those set out in the CRA under services instead of goods.

Where there has been a breach of contract relating to services, as in this case, the CRA sets out a limited set of remedies. This includes the trader being given an opportunity to put things right - known as repeat performance - if that's possible and reasonable. If that can't be done, then a price reduction may be appropriate. In situations involving services, there isn't an option for the consumer to exercise a short-term right to reject the goods.

Miss M asked for the wardrobe to be removed and for the credit agreement to be cancelled, but based on what I've said above, this was not a remedy available to her under the CRA in this situation. Given the issue with the wardrobe was about the visible gaps, something which could be fixed, I consider repeat performance was the right remedy in the circumstances.

The evidence also shows, Miss M agreed to the remedial work, and that the further visits that took place corrected the issue of the gaps. I acknowledge Miss M's point that she only agreed to the repair as she felt she had no other option. But even taking that into account, repeat performance was the most appropriate remedy here, and it was carried out.

I appreciate Miss M remains unhappy with the finish, and I don't doubt her sincerity when she says she feels the wardrobe still doesn't meet her expectations. But when I consider the available evidence, I haven't seen anything persuasive to show that the wardrobe as it is after the repair, substantially differs from what was actually agreed under the contract. I say this because:

- *During discussions with W, the mobile designer emailed Miss M explaining that it wasn't possible to part angle the doors, and the picture it attached to this email clearly showed a border around the angled doors.*

- *The contract pack image Miss M referred to was marked as illustrative only. It specifically said "colours and images shown above are illustrative only, refer to the summary and samples for exact specifications"*

- *The order itself included both cornice and filler panels, which indicates they formed part of the agreed finish.*

- *Miss M agreed to have filler along the top instead of cornice and the remedial work appears to have been carried out in line with that request.*

As I'm not a furniture expert, I have to base my findings on the evidence presented to me. While I appreciate that Miss M doesn't feel the remedial work meets her expectations, based on the available evidence, I haven't seen anything compelling to persuade me that the wardrobe doesn't conform to the contract, following the repeat performance.

Given that repeat performance was the appropriate remedy which Miss M agreed with, and this has taken place, I don't consider that Creation needs to do anything further. I understand

W has made a goodwill offer of £1,081.96 and if Miss M decides she wishes to accept this, she can contact Creation or W directly about this.

I appreciate Miss M is likely to be disappointed with the outcome of this decision, but Miss M is of course, under no obligation to accept this decision. If she remains dissatisfied, she may wish to seek independent legal advice and pursue the matter through a formal channel such as the courts.

My provisional decision

For the reasons outlined above, I don't intend to uphold this complaint against Creation Consumer Finance Ltd.

Neither Creation nor Miss M responded to my provisional findings, by the specified deadline, with any additional information or arguments for me to consider.

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.

As neither party responded to my provisional findings, I see no reason to depart from those findings.

My final decision

My final decision is that I don't uphold this complaint against Creation Consumer Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 February 2026.

Farhana Akhtar
Ombudsman