

The complaint

Mr B is unhappy that National Westminster Bank Public Limited Company ('NatWest') rejected a claim he made to it under s.75 of the Consumer Credit Act 1974 (CCA).

What happened

In February 2019, Mr B paid a company I'll call 'T' £6,200 to install spray foam insulation at his property. He paid £4,100 via his NatWest credit card and then a further £2,100 by bank transfer.

In October 2024, Mr B contacted NatWest to raise a s.75 claim. He said T had promised significant energy savings and that the spray foam would be installed to the highest standards. However, Mr B explained he had now found that not to be the case and was left with substandard work, unresolved issues with his properties insulation and additional expenses to rectify the problems caused by the poor installation, which included the full removal of the spray foam.

NatWest responded the next day and said that while Mr B had paid T, the invoice/contract provided showed a different company was the supplier. NatWest asked for evidence to show a credible link between the two companies. NatWest said without this there wasn't the required debtor-creditor-supplier (DCS) arrangement in place for a valid s.75 claim.

In November 2024, Mr B replied and explained the purchase order with the different company showed payment was to be made to T. NatWest didn't consider this sufficient to show the companies were one and the same. NatWest said to show a credible link both companies would need to have directors in common. Mr B said this was the case and NatWest asked for evidence. Mr B explained both companies share directors as confirmed through records from Companies House. Again, NatWest asked for evidence as it wasn't able to see the records Mr B had referred to. Unhappy with this, Mr B asked for NatWest to provide a final response.

On 16 December 2024, NatWest issued its final response and said it's been unable to locate any link between T, who Mr B had paid, and the other company that supplied/installed the spray foam. Therefore, it didn't believe the necessary DCS arrangement for a valid s.75 was in place. Unhappy with this, Mr B referred his complaint to the Financial Ombudsman Service.

One of our investigators looked into the matter and concluded the required DCS arrangement was in place. This was because T and the supplier were the same firm under two different trading names. Despite this they however didn't believe Mr B's s.75 claim should succeed. The investigator said the evidence didn't show misrepresentations had occurred regarding energy savings or that Mr B should've been made aware of potential issues in obtaining a mortgage because of spray foam being present. Regarding the breach of contract for the spray foam being poorly installed, the investigator said Mr B had already arranged for the spray foam to be removed and the removal invoice didn't indicate there were problems with it.

Mr B didn't agree. He said verbal misrepresentations had taken place and these were

actionable under s.75. He said at no point was he told spray foam being installed could jeopardise the resale or remortgage of his home. Regarding the installation Mr B said the spray foam was sprayed directly onto the roofing felt with no ventilation or underlay membrane. Which is a well-known red flag in building practice. Mr B added that NatWest should now also be liable for the removal costs he had incurred.

The investigator responded and said misrepresentation requires a false statement of fact which hadn't been provided. Regarding the spray foam being installed directly to a membrane, the investigator asked if any evidence could be provided to show this had damaged the property or wasn't a suitable way for the spray foam to be installed.

Mr B said he was repeatedly told spray foam would significantly reduce his bills and wouldn't cause issues with resale or his ability to get a mortgage. He added while he hadn't been declined a mortgage, he had been discouraged from proceeding by a mortgage advisor. Mr B then added the completion of work certificate provided by the firm that removed his spray foam says the original installation led to damage that required structural repair. The investigator maintained there was insufficient evidence to demonstrate a misrepresentation had taken place or a breach of contract had occurred.

As Mr B didn't agree the complaint was placed into the queue for an ombudsman's decision. While awaiting allocation Mr B provided a new report following an inspection of his roof. This highlighted significant further work that needed to be carried out. Mr B wanted these costs included in his claim as consequential losses. He said the work that now needed to be carried out was as a direct result of the spray foam being poorly installed.

As this was new evidence that NatWest hadn't seen when assessing the claim initially, it was agreed that this would need to be a new claim and investigated accordingly. So, this complaint wouldn't include the new evidence that had been provided.

This complaint has now 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.

I would also like to point out I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

As detailed above, in this complaint I'm only considering the initial claim that was put to NatWest. That is based on the evidence that was available at that time.

I believe looking to assist Mr B via a s.75 claim was the correct course of action for NatWest to take. I say this given the time that passed since the date of the transaction and the potential losses Mr B was claiming for.

S.75 in summary allows, in limited circumstances, someone buying goods and/or services on credit to claim for a breach of contract or a misrepresentation against their credit provider when there is a like claim against the supplier. I note there were some initial issues around whether the necessary DCS arrangement needed for a valid s.75 was in place. I believe that matter has been resolved, and all parties agree it is. However, for completeness I agree here that given both T and the supplier appear to be the same company the requirements for a valid s.75 claim have been met.

Mr B has raised concerns here regarding both misrepresentation and breach of contract. So, I will address these in turn.

Misrepresentation

Mr B claims here that he was told having the spray foam would:

- significantly reduce his energy bills
- that the spray foam was safe and compliant
- would increase the value of his property and not cause any mortgage or resale issues.

Some of the above cross over into breaches of contract, which I will address below.

Mr B hasn't provided anything that was given to him at the point of sale. All of the above he says were verbal misrepresentations.

Regarding the energy savings, Mr B hasn't detailed the conversations that took place, which I can appreciate given they occurred in early 2019. He has just said he was told his bills would reduce significantly and this is why he agreed to have the spray foam installed.

2019 was some time before Mr B initially even raised his claim with NatWest. That happened in late 2024. So, it's very difficult for me to determine exactly what was said. Mr B hasn't provided any documentation from the point of sale that supports his claim and I can't see that a specific promise of how much his energy bills may reduce by was made to Mr B. I find it more likely Mr B was told his bills may go down. Which I don't think would be an unreasonable claim given any form of insulation could potentially result in savings on energy bills over time, as it reduces heat loss.

I also note it was almost five years between the install and Mr B raising his claim. Had his energy bills reducing significantly been the reason he entered into the contract, then I don't see why it took so long for this to be raised, if that didn't happen.

This is the same for his claims he was told the spray foam was safe, compliant and approved. There is no evidence here to suggest it wasn't any of those things and that if the supplier did say that it was providing a false statement of fact. I appreciate Mr B feels differently given the poor installation and damage that's been caused, but I will address that when I come on to breach of contract.

Mr B has also said he wasn't told about the consequences of having spray foam installed when it comes to selling his home or remortgaging. I'm not persuaded here that at the time of the spray foam sale Mr B was actively considering a possible sale of his property or remortgage. I say this because the sale occurred in early 2019 and it wasn't until late 2024 that Mr B raised his concerns. He also hasn't yet actually ever applied for a remortgage. I believe it fair to say that had that been a consideration, Mr B would've likely raised things sooner.

I appreciate that some businesses current lending criteria may be against spray foam insulation. But I've seen no evidence that all lenders would be against mortgage lending at the time of Mr B's sale, or that at that time in early 2019 there was common knowledge within the spray foam industry (or from experts within that industry) of a risk mortgage applications would be declined solely because of spray foam being present. So, it follows that I don't agree this was something the supplier had a duty to discuss with Mr B at the time

of his sale.

Ultimately, I don't believe Mr B has provided sufficient evidence here to show he was given a false statement of fact that induced him into the contract with the supplier.

Breach of contract

Alongside s.75, the Consumer Rights Act 2015 (CRA) is also of relevance to this complaint, as it implies terms into the sales contract Mr B entered into with the supplier. One of these implied terms is that the contract will be performed with 'reasonable care and skill'. This isn't directly defined but is usually taken to be the level of care and skill that would be expected in that particular industry.

Mr B states his installation was completed poorly and therefore not performed with reasonable care and skill. To evidence this on his complaint he provided a copy of the completion of work certificate from the removal firm. Mr B feels this certificate clearly shows the original installation led to damage and had to be removed. I know this will come as a disappointment to Mr B, but I don't agree.

The certificate says, "*repair any damaged membrane*" and "*wire brush rafters*". It doesn't make findings that state the spray foam was installed poorly or why the installation is outside the relevant industry standards that apply. It doesn't directly link any potential repairs needed to the spray foam. These actions given appear to be those the removal company will undertake as part of the removal.

As part of the removal of a product like spray foam, I would also expect that to potentially cause its own issues. Those for instance may require repairs to membranes damaged during the removal and/or the need for rafters to be brushed to fully remove the spray foam. That by itself doesn't mean the installation was incorrect.

Based on the evidence provided on this complaint, I don't believe Mr B has evidenced that a breach of contract has taken place. I'm not persuaded that Mr B's spray foam wasn't installed with reasonable care and skill.

Mr B has also mentioned that the supplier failed to carry out pre-installation checks. It's not clear here whether a pre-installation check was completed. I don't believe the supplier is trading anymore, so it wouldn't be possible to contact it to enquire further. But even if a pre-installation wasn't carried out, I don't believe the evidence here points to the spray foam causing any issues within Mr B's property. So, I don't believe any possible failure of a pre installation check being carried out has materially impacted Mr B.

For these reasons, I don't believe NatWest needs to anything further in relation to this claim that Mr B made under s.75 of the CCA.

My final decision

I don't uphold Mr B's complaint against National Westminster Bank Public Limited Company. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 April 2026.

Paul Blower
Ombudsman