

## **Complaint**

Mr M complains that the boiler he paid for through a fixed sum loan agreement with Shawbrook Bank Limited wasn't fitted with reasonable care and skill. He wants compensation for the damage caused to his house and the distress and inconvenience he has experienced.

## **Background**

Mr M entered into a fixed sum loan agreement with Shawbrook Bank in January 2018 to acquire a boiler. He says that the boiler wasn't installed to a satisfactory standard and caused his house to be flooded twice. He says this resulted in damage to his wallpaper, plaster, floor and television. He says there were issues with the wiring and that although he didn't sign the satisfaction notice the loan funds were released to the supplier.

An inspection report was completed in February 2018 but Mr M says that the work hasn't been carried out.

In its final response letter, dated July 2018, Shawbrook Bank apologised for any inconvenience caused by the loan account being opened while work was still ongoing with the boiler. It says that Mr M had discussed the issues with its team on 30 January 2018 and asked for the loan account not to be opened but the same day that account was set to be paid out overnight through its standard process. Because of the upset caused Shawbrook Bank offered to pay Mr M £500 compensation. In regard to the damage to Mr M's house, it says that the supplier would be in touch to review and remedy the issues.

Shawbrook Bank later says that the supplier had attempted to resolve the issues with Mr M on several occasions but he hadn't responded. It says the report showed the issues raised and that these were resolved with the only remaining issue being the damage Mr M said was caused by a leak in his living area. It says that the boiler was installed in the kitchen and there was nothing to suggest work was carried out elsewhere in the house and so it challenged how the installation could cause a leak elsewhere. It says this suggested there was an existing issue with the pipework and wasn't a fault that occurred due to the installation of the boiler.

Our investigator initially said that the offer made by Shawbrook Bank was reasonable in regard to the issues with the installation of the boiler. In regard to the funds being released she said that our service didn't take the view that a satisfaction note was required before this happened and that as the boiler had been installed Shawbrook Bank was entitled to release the funds.

However following further information our investigator issued a second view noting that further action should be taken by Shawbrook Bank. She noted that it had been accepted that there was an outstanding issue with the wallpaper. She thought there was enough evidence to say the boiler wasn't installed with reasonable care and skill and recommended that an independent inspection be carried out to inspect the potential outstanding issues. She noted the comments about contact with Mr M and said he had provided a reasonable reason as to why a follow up appointment wasn't arranged. She confirmed Mr M was willing for an inspection to take place.

Our investigator said that the parties disagreed on the cause of the pipes leaking and that this would need investigation along with the alleged damage to the television. She

recommended that Shawbrook Bank remedy any problems identified through the inspection report that were linked with installation of the boiler.

Shawbrook Bank didn't agree with our investigator's view. It said that the supplier had provided an inspection report to show the outstanding issues at that time and what repairs were undertaken. It said Mr M hadn't provided evidence of the other issues that have been raised. It said that if Mr M had outstanding issues he should provide evidence of these or arrange his own inspection report.

### *My provisional conclusions*

I issued a provisional decision on this complaint and made the following conclusions.

- An inspection report carried out a month after installation noted the wallpaper in the living room had water stains; old wiring had been taped up; mess under the floor in the cylinder cupboard needed to be removed; and boxing in the kitchen above and below the boiler required reinstating. Evidence was provided to show that the boxing work was carried out.
- Mr M had raised concerns about the boiler pressure but I didn't have any further evidence to suggest this was an ongoing issue or to suggest the boiler itself wasn't of satisfactory quality.
- The main outstanding point appeared to relate to the wallpaper damage. Water damage to the wallpaper was identified in the report but repairs not undertaken. In further correspondence the supplier said that it should have carried out repairs to the wallpaper. Given this I found it reasonable that the damage to the wallpaper in the living room was remedied.
- Since the initial remedial work was carried out Mr M said his television was also damaged. I didn't find I could say that the damage to the television was linked to issues with the boiler installation.
- The inspection report appeared to address the points raised by Mr M and I didn't think that further inspection was needed, unless Mr M had further damage that he wished to be assessed that wasn't covered in the initial report.

I found the fairest outcome was for Shawbrook Bank to arrange for the damage to Mr M's wallpaper to be remedied. If Mr M provided further evidence to show the damage to the television was caused by the installation of the boiler then this should be addressed. I said that if there were other issues Mr M believed to be linked to the boiler installation that weren't covered in the inspection report he could provide evidence of these and I would expect Shawbrook Bank to consider this.

Shawbrook Bank offered compensation of £500 in its final response letter. This appeared to be linked to the concern Mr M raised about the funds being released. I didn't find that compensation was specifically required for that issue but thought Mr M should be paid compensation for the problems he had suffered due to the poor installation of his boiler. I found that £500 compensation was reasonable.

Shawbrook Bank responded to my provisional decision. It agreed that £500 compensation for the distress and inconvenience caused by the issues Mr M had experienced was reasonable.

In regard to the wallpaper it said that the supplier had previously offered £50 as a gesture of goodwill for this but this wasn't accepted. It was concerned that the requirement to repair the wallpaper damage in an acceptable way could lead to further issues and discussion about what reasonable costs would be. It reiterated that it shouldn't be liable for the damage to the wallpaper as it believed this arose from a leak from a room separate to where the boiler was installed. It noted the inspection report suggested something for the stained wallpaper as a gesture of goodwill.

Mr M responded to my provisional decision. He said that as part of the work his old immersion heater was taken out which was above the living room and that this was what caused the damage to the wallpaper as the pipes weren't properly stopped resulting in leaks. He said this damaged the floor as water got underneath it but because the floor wasn't taken out at the inspection the damage couldn't be seen. He sent through photographs of the floor.

Mr M said that the damage to the television only became apparent later. He said that the television was on the wall of the living room which was flooded twice. He said this resulted in damage to the electrics. He said a local expert had looked at the television but he didn't have any written report. He said he still had the television and this could be looked at.

Mr M also said that the boiler was still losing pressure. He said that he was told to leave it six months to settle but this was still an issue and although he had tried to contact the supplier nothing had happened.

### **My findings**

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

Mr M entered into a fixed sum loan agreement with Shawbrook Bank to pay for the installation of a new boiler. Under the regulations, Shawbrook Bank can be held liable if the boiler wasn't of satisfactory quality or if it wasn't installed with reasonable care and skill.

Mr M's complaint is about the installation of the boiler. Given the issues he raised an inspection was carried out in February 2018, the month after installation. This commented on the issues set out by Mr M.

As I set out in my provisional decision, I found that the key outstanding issue was the damage to the wallpaper. Shawbrook Bank reiterated previous comments about the damage to the wallpaper not arising from an issue caused by the installation of the boiler. I understand the point that has been made. However I also note Mr M's comments about the other work that happened at that time. On balance, given the information provided about the work, the information in the inspection report about the damage, and the comments by the supplier in regard to this issue I find it reasonable that this repair takes place at no cost to Mr M.

I appreciate the point raised by Shawbrook Bank about the extent of the repair. I also accept that work beyond to actual damaged wallpaper may need to take place to ensure the issue is fully remedied. Therefore I find it reasonable that Mr M should obtain quotes for the

damaged wallpaper to be remedied and these should be provided to Shawbrook Bank. These quotes can then be considered by Shawbrook Bank and subject to a reasonable quote being accepted, the work should go ahead. Shawbrook Bank can arrange for the payment to be made.

Mr M has said that his television was damaged by the leak in his living room. I said in my provisional decision that the inspection report contained a photograph of the television on the wall and it appeared to be working. I note the comments Mr M has made about how the damage arose and that the water leaks caused damage to the electrics. He has said the television is available for inspection. However, as an inspection was carried out after the boiler installation and this didn't show any damage to the television, I find that it is up to Mr M to provide evidence that the television damage was due to the issues arising from the boiler installation work. As this hasn't been provided I do not find that I have enough evidence to uphold this part of his complaint.

Mr M has also provided photographs of his flooring. While I can see that there is some damage, I can only hold Shawbrook Bank responsible for damage caused as a result of the installation of the boiler. I appreciate the points Mr M has made about the water getting under the flooring and then causing the damage. If further evidence is provided then I would expect this to be considered. However without evidence to show that the damage was due to issues arising from the installation of the boiler I do not find that I can uphold this part of the complaint.

Overall, as I set out in my provisional decision, I find that Shawbrook Bank should arrange for the damage to the wallpaper to be remedied (subject to quotes being provided) and pay Mr M £500 for the distress and inconvenience he has been ceased.

### **My final decision**

My final decision is that Shawbrook Bank Limited should:

1. ensure the wallpaper damage reported in the February 2018 inspection is remedied. This is subject to Mr M obtaining quotes for the work and the this being agreed with Shawbrook Bank which will then ensure the agreed payment is made;
2. pay Mr M £500 compensation for the distress and inconvenience the issues with his boiler installation have caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 February 2020.

Jane Archer  
**ombudsman**