

complaint

Mr B complains that the installation of a central heating boiler financed by a loan from Shawbrook Bank Limited ("Shawbrook") was carried out poorly. He wants Shawbrook to remove the boiler, refund what he paid for it, and remove a default it has placed on his credit file. He brings this complaint under section 75 of the Consumer Credit Act 1974.

background

In February 2016, Mr B entered into a contract with a central heating installer, which I'll call "C", to fit a replacement central heating boiler at his house. The existing piping and radiators weren't changed. Mr B was introduced by C to Shawbrook who financed the work with a loan of £2,643, repayable with interest over five years.

In November 2016, Mr B complained to Shawbrook about poor installation of an electrical socket and flu by C. He also said that some of the radiators weren't heating properly, with cold spots around the house, and the boiler was switching itself on and off. C wouldn't deal with the problems, so he wanted Shawbrook to remove the boiler, cancel the loan, and refund what he had paid.

Shawbrook said it had spoken to C, who said the problems were caused by sludge in Mr B's system. The only solution was to re-pipe the system. This wasn't something that was included in the original contract between Mr B and C, so Mr B would have to pay for this.

Mr B produced a gas safety certificate from another company which said that, in accordance with the boiler manufacturer's recommendations, a full power flush should have been carried out before the installation to remove the sludge. Mr B said only a chemical flush was carried out, and this was done on the day the boiler was fitted instead of 24 hours before as it should have been.

C said it carried out a chemical flush on all installations, and this had been done correctly. A power flush would have cost more than £500 extra, and C denied that this was recommended by his boiler manufacturer. Mr B's pipework was plastic microbore piping. In its experience, power flushing this type of piping was normally unsuccessful and created additional problems with restrictions and blockages in the system. It wasn't C's practice to sample the water in the system before installation.

Our investigator didn't recommend that this complaint should be upheld. He said that C had provided what it had contracted to do – install a boiler with a chemical flush – and he couldn't say it had done this in an unsatisfactory manner. The evidence from C suggested that carrying out a power flush might actually have had a detrimental effect on the system. Although it might have been good practice, he didn't think there was any requirement on C to carry out any sample tests on the water in the system before installation. So he didn't think C should have recommended re-piping the system before installing the boiler.

Mr B had stopped making loan payments as he was unhappy with the boiler. However he should have maintained payments while his complaint was ongoing, and so his arrears were correctly shown on his credit file.

Mr B responded to say, in summary, that:

- when C did its initial inspection, it said the pipes were fine and in good order. It never said there might be a problem with the piping after the new boiler was fitted;
- when C disconnected the old boiler it would have seen there was sludge in the system and should have alerted him to this fact at the time;
- the manufacturer of the new boiler had told him that because of the date his piping was installed, a power flush would have been fine for his system. It also said that for a chemical flush to be effective it should have been done 24 hours before the new boiler was installed;
- the faulty installation of the electrical socket meant they couldn't use other appliances. They had to pay another electrician to rectify the fault;
- C hadn't carried out a proper commissioning test on the boiler. If it had, it would have known about the radiators that weren't working properly; and
- the manufacturer of the new boiler told him the sludge in the system would eventually damage the boiler, and this damage wouldn't be covered by its guarantee.

In response, C said that:

- while there was sludge in the pipework, this may not have been evident when the boiler was removed, as sludge may not have been present in the boiler itself;
- it disagreed that the age of the pipework meant that a power flush would have been safe to carry out. It always advised against this for the reasons it had mentioned previously;
- what the manufacturer said about the timing of a chemical flush was wrong. It was always carried out after fitting the new boiler. This was to remove fluxes that were present from the installing procedure;
- in accordance with its terms and conditions, the boiler was installed on the basis that the existing system and pipework were operational, and it wasn't a requirement, or its practice, to inspect this;
- the electrical issue wasn't reported to C until November/December 2016, when the boiler had been installed in February 2016. C didn't think this was an installation issue, so it said its visit to deal with this would be chargeable, but if it proved to be an installation issue the charge would be refunded. When its electrician did attend on 5 December 2016, no one was at home; and
- C had carried out a full commissioning bench test, a copy of which it supplied.

Mr B said, in summary:

- why wasn't the fact that radiators weren't working disclosed by the commissioning test;
- how had C missed the electrical issue; and
- he thought C's employees had been in a hurry to complete the fitting, and had just filled in the paper work and left.

my findings

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

If I am to uphold Mr B's complaint, I need to be satisfied, on the balance of probabilities, that C didn't supply the goods Mr B contracted for, or in doing so didn't meet a reasonably satisfactory standard. If this is the case, I then need to decide if it's reasonable for

Shawbrook to cancel the loan and refund what has been paid, and do the other things Mr B has asked for, under section 75.

The evidence I have seen about what should happen when a new boiler is fitted is somewhat contradictory. I understand that Mr B's system isn't working as it should. However, on balance I'm not persuaded that C did anything wrong.

It seems that while the old boiler was fitted, the piping and the rest of the system was working satisfactorily. It wasn't until some time after the new boiler was fitted, with the onset of colder weather in autumn 2016, that Mr B started to have problems with radiators in the system.

So it isn't clear when the problems in the system arose. C carried out its normal commissioning test, and I don't think there was anything before or immediately after the new boiler was fitted to suggest to C that there was anything wrong with the rest of the system.

C went about fitting the boiler in accordance with its usual practice and its terms and conditions, and I can't say it was in breach of its contract or reasonably satisfactory standards. Although it doesn't seem to have fitted the electrical socket correctly, it seems to have acted reasonably in offering to put it right, and to meet the cost if this was an installation fault. But Mr B didn't give it the chance to do so.

So I'm not persuaded that there was any breach of contract by C for which I should hold Shawbrook responsible under section 75. For the reasons the investigator mentioned, I don't think it would be reasonable for me to require Shawbrook to remove Mr B's default from his credit file.

my final decision

My decision is that I don't uphold this complaint, and make no order against Shawbrook Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 October 2017.

Lennox Towers
ombudsman