

complaint

Mr A complains that GE Money Consumer Lending Limited (GE Money) has refused to repair his solar panel system after it stopped working two years after installation. He'd like the system to be repaired or replaced.

background

Mr A had solar panel system installed by a supplier, a limited company who I'll call "S" in July 2008. He took out finance with GE Money, who offered a ten year guarantee on the system.

After two years, the system stopped working correctly and in April 2015, Mr A complained to GE Money.

Mr A provided a quote for a service and repair. GE Money didn't want to pay for any repairs until a service had been carried out on the system. But when Mr A contacted a business to carry out the service it provided a report explaining the system had been poorly installed. It also said that the wrong materials had been used. It said the faults needed to be rectified and then a service could be carried out.

The business isn't willing to pay for the repairs because Mr A didn't carry out annual servicing on the system, causing the damage to get worse. It also said it only had liability under the 'Supply of Goods and Services Act 1982' for six years – meaning its liability expired Aug 2014, before Mr A complained.

Our adjudicator didn't agree with GE Money's viewpoint. He said the information he'd seen showed that the installation had not been done to a professional standard. He said he didn't accept that because Mr A took so long to complain to it he shouldn't get any help.

Further, our adjudicator pointed out that GE Money had sent Mr A, a letter on 30 September 2008 confirming that *"GE Money Consumer Lending Limited is committed to ensuring your satisfaction with the goods supplied by [S]. We'll make sure your product guarantee is honoured so, you can sit back, relax and enjoy your new purchase in the knowledge that peace of mind is part of the deal"*.

For all of these reasons our adjudicator thought that GE Money should pay for the repairs to be carried out.

Because GE Money disagreed the complaint has been passed to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've finished looking at Mr A's complaint and I'm going to uphold it. I explain below why I think this is a fair and reasonable conclusion.

The letter of 30 September 2008 didn't mention anything about liability only lasting six years. But even if it did, the system stopped working while the business was still liable.

The letter also makes it clear the guarantee would be honoured, and the specialist report shows the system was poorly installed in the first place.

Because S went into administration soon after the system was installed, it's for GE Money to take responsibility for any repairs that need to be carried out.

And even if S was still in business I'd say it was fair and reasonable taking into account section 75 of the Consumer Credit Act 1974 for GE Money to be held responsible equally with S for what's gone wrong.

GE Money asks if we are holding it to higher standard than would've applied in 2008. We are not because the relevant legislation at the time said that installation works had to be carried out with reasonable skill and care. Clearly that didn't happen here.

my final decision

My final decision is that GE Money Consumer Lending Limited should pay Mr A:

- £492 (including VAT) for the repair works and the
- £348 (including VAT) for subsequent flush of the system and testing to make sure it's safe

If, once the system is running, further issues are detected as a result of the poor installation - GE Money should agree to bear the reasonable cost of repair. If the parties cannot agree about this one limited part of the complaint then they can come back to us should it be necessary.

GE Money must pay the total compensation that is the £492 and the £348 within 28 days of the date on which Mr A accepts my final decision.

If it pays later than this it must also pay interest on the compensation from the date of the final decision until the date of payment at the rate of 8% simple per year.

If it considers it is legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Mr A can reclaim the tax if he is able to.

Mr A should refer back to GE Money if he is unsure of the approach it has taken. And both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 February 2016.

Joyce Gordon
ombudsman