

complaint

Mrs G complains about the cashback that she received under a fixed sum loan agreement that was sold to her by D. M. Design Bedrooms Limited.

background

DM Design agreed to install a new kitchen for Mrs G. She financed the kitchen with a fixed sum loan agreement with a third party that she signed in November 2015. DM Design acted as a credit intermediary on the sale of the loan. The loan included the £9,500 cost of the kitchen and £5,000 cashback. Mrs G complained to DM Designs about the cashback and about the quality of the kitchen. An independent expert inspected the kitchen and identified some faults with it. Mrs G wasn't satisfied with DM Design's response so complained to this service about the cashback. A separate complaint about the quality of the kitchen has been made against the credit provider under section 75 of the Consumer Credit Act 1974.

The investigator didn't recommend that this complaint should be upheld. He said that the loan agreement clearly shows that the amount of the loan was £14,500 and the cost of the kitchen units and installation was £9,500. And he noted that Mrs G had signed the agreement and the cashback registration form. So he didn't think it would be fair to ask the business to write off the £5,000 that Mrs G received as cashback.

Mrs G has asked for her complaint to be considered by an ombudsman. She says, in summary, that she wasn't given any paperwork at the time and would've cancelled the cashback if she'd known that it was a loan.

my findings

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

Mrs G signed the fixed sum loan agreement in November 2015. The loan agreement clearly shows the loan amount, the interest rate and the amount and number of monthly repayments. So I find that Mrs G was – or ought to have been – aware of those amounts and that she accepted them. She also signed a cashback registration form at the same time. It shows that she accepted the £5,000 cash back on the terms set out on the form. And DM Design wrote to her in January 2016 enclosing a cheque for the cashback.

I sympathise with Mrs G that she didn't properly understand the cashback arrangements. But I find that she has received the benefit of the cashback and that she signed the loan agreement and the registration form to accept the cashback. So I find that it wouldn't be fair or reasonable for me to require DM Design to cancel the cashback or to take any other action in response to Mrs G's complaint.

Mrs G has made a separate section 75 complaint about the quality of the kitchen against the credit provider – I consider that to be the correct way to deal with those issues.

my final decision

For these reasons, my decision is that I don't uphold Mrs G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 28 March 2017.

Jarrold Hastings
ombudsman