

complaint

Mrs T, represented by a family member Ms T, complains that the fixed sum loan agreement she entered into with British Gas Services Limited (the business) was not fully explained and was not affordable.

background

Mrs T entered into a fixed sum loan agreement in 2012 to acquire a new boiler.

Ms T says that at the time Mrs T entered into the agreement she did not have the capacity to fully understand its financial implications. Ms T says that Mrs T's health condition was not diagnosed until September 2014 but that at that time it was significant and that sufferer's can live with the condition for a long time before diagnosis.

Ms T says that Mrs T did not discuss the details of the agreement she was considering before agreeing to it. Ms T also raised concerns about the affordability of the loan for Mrs T and noted that a family member paid off the loan for Mrs T in 2014.

The business says that Mrs T contacted it in response to its advertising campaign and agreed to a no obligation visit which took place on 3 September 2014. A quote was provided and it says Mrs T asked for some time to discuss this with her family. It says that Mrs T's previous boiler was 14 years old.

The business says Mrs T accepted the quote on its subsequent visit on 7 September. It says that the payment options were discussed with Mrs T and that she signed the agreement after being told to read the terms and conditions. It says the documents clearly set out the terms of the loan including the cooling off period.

In regard to concerns about Mrs T's vulnerability, the business says that Mrs T's health condition was diagnosed in 2014 which was two years after she had entered into the agreement. It says that Mrs T opted for the eight year rather than ten year loan term and maintained her payments up to the redemption of the loan.

The adjudicator did not uphold this complaint. She said that when the quote for the boiler was first provided Mrs T asked for more time to discuss this matter with her family. She then signed the agreement a few days later. The adjudicator said this showed Mrs T was able to understand the agreement. She said that although Ms T said that Mrs T was showing signs of her condition months before her diagnosis, she did not think the business would have been reasonably aware of this.

The adjudicator said that the agreement included all the information Mrs T needed. She said it was up to Mrs T to ensure the income information she provided was correct and noted that Mrs T had maintained her payments.

Ms T did not accept the adjudicator's view. She reiterated that she believed the agreement had been mis-sold and that Mrs T was not able to understand the details of the agreement when she signed it.

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 can see that the first visit to Mrs T took place on 3 September 2014. I accept the business' comment that Mrs T had approached it prior to this visit talking place. The business has said that Mrs T's boiler at that time was 14 years old and I note that Ms T has said Mrs T discussed getting a new boiler installed even though the finance details were not discussed. Based on this I find it reasonable that the business provided a quote to Mrs T.

Mrs T did not accept the quote on the first visit but instead said she needed time to discuss this with family. I find that this shows Mrs T was aware of what she was about to do and took time to consider this before going ahead. I understand Ms T's comments that Mrs T did not discuss the details of the finance; however I find that Mrs T was given the time she needed to consider the quote.

The business has provided a copy of an example provided to Mrs T with comments written on it. I understand Ms T's comment that this would not have provided enough information for Mrs T to make a decision but I also accept this was an illustration. The agreement Mrs T signed clearly set out the payment details and other relevant information.

Ms T says that Mrs T would not have been able to understand the details of the agreement at the time it was signed. However, I have to decide whether it was reasonable that the business believed Mrs T was capable of understanding the information and entering into the agreement. Ms T has said that Mrs T's health condition was not diagnosed until September 2014. This was two years after she signed the loan agreement. I understand Ms T's comments about the symptoms being present before that date; however I do not find I have enough to say that the business should have been reasonably aware of any issues in regard to Mrs T's capacity to enter into the agreement.

Ms T has also raised concerns about the affordability of the loan. I understand that the loan was paid off by a family member. While I appreciate Ms T's concern, I do not find it unreasonable that the business relied on the information Mrs T provided in regard to her income. The monthly payment amount was clearly set out on the agreement and Mrs T was provided options as to the duration of the agreement. I note that Mrs T did maintain her payments until the loan was paid off.

On balance, I do not find I have enough evidence to say that the business did anything wrong in providing the loan to Mrs T for the purchase and installation of her boiler.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 28 December 2016.

Jane Archer
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