

## **complaint**

Mr M complains that Shop Direct Finance Company Limited gave him incorrect information about a service guarantee for a tumble dryer that he'd bought from it. His wife is also involved with his complaint.

## **background**

Mr M used his shopping account with Shop Direct to buy a tumble dryer for £229 in December 2015. The tumble dryer had a twelve month warranty and Mr M paid £43 for a service guarantee for the two years after that. He says that the tumble dryer broke down in January 2017 and that he contacted Shop Direct but was told that the warranty had expired and that it couldn't do anything to help him. He contacted the manufacturer and it agreed to provide him with some replacement parts. Mr M paid for repairs to the tumble dryer but it still didn't work properly so he bought a replacement.

He says that he received a renewal letter from Shop Direct in December 2018 because the service guarantee was ending. He complained to Shop Direct that it had given incorrect information to him in January 2017. It said that it had reviewed all phone calls on his account within that period but was unable to locate any call in which he'd asked about the guarantee or was told that it had expired. He wasn't satisfied with its response so complained to this service. Shop Direct then offered to refund to Mr M the £43 that he'd paid for the service guarantee.

The investigator recommended that this complaint should be upheld. She said that, whilst there was no evidence of a call to Shop Direct, she didn't believe that that ruled out that a call took place - and she said that Mr M and his wife arranged their own repairs which she thought evidenced that they believed that they didn't have any cover in place after checking with the manufacturer.

She recommended that Shop Direct should pay Mr M £229 (which was the cost of the dryer he bought in December 2015) and £60 for the repairs costs that he and his wife had paid. She also recommended that it should pay Mr M compensation of £100 for the inconvenience caused.

Shop Direct has asked for this complaint to be considered by an ombudsman. It says, in summary, that:

- its process is to record calls and annotate accounts when receiving phone contact from a consumer to ensure an accurate audit trail is recorded and it would expect to locate a copy of a call recording and to see notes that have been captured on the account with regards to the nature of the call - but neither of that has been located concerning the call in which Mr M says that he was informed that the tumble dryer was out of warranty;
- there's no evidence of any independent report being received to show that the tumble dryer was defective or that Mr M reported it as being defective;
- Mr M contacted it about the service guarantee after he received the renewal letter which suggests that he may have forgotten he bought the guarantee – and it would not have had the opportunity to put right any issues with the tumble dryer; and
- it's willing to offer a refund of the £43 that Mr M paid for the service guarantee but does not agree to refund the cost of the dryer, repair costs or compensation.

## **my provisional decision**

After considering all the evidence, I issued a provisional decision on this complaint to Mr M and to Shop Direct on 15 April 2020. In my provisional decision I said as follows:

*“The tumble dryer broke-down just over a year after it had been bought by Mr M – and by then the warranty had expired. But Mr M had also bought a service guarantee for two years after the warranty expired which would cover repair or replacement of the tumble dryer.*

*Mr M says that he phoned Shop Direct in January 2017 and was told that the warranty had expired and that it couldn't do anything to help him. The manufacturer provided some replacement parts and he paid for repairs – but the tumble dryer still wasn't working properly so he bought a replacement.*

*Shop Direct says that it records calls and annotates accounts with a note about the nature of calls from its customers – but there's nothing on its accounts records for Mr M to show that he phoned it around that time about his tumble dryer. If Mr M had phoned it, I consider it to be more likely than not that it would have discussed the service guarantee with him.*

*I assume that Mr M had forgotten that he had bought the service guarantee until he received the renewal letter about it in December 2018. Otherwise it would be reasonable to expect that he would have discussed the service guarantee with Shop Direct and made a claim under it because of the issues with his tumble dryer.*

*I'm not persuaded that there's enough evidence to show that Mr M phoned Shop Direct about the service guarantee or that he made a claim to it under the guarantee. I sympathise with him for the issues that he's experienced with the tumble dryer and for the costs that he's incurred that might have been covered by the service guarantee if he'd made a claim under it. But I'm not persuaded that there's enough evidence to show that Shop Direct has acted incorrectly. And I consider that its offer to refund to Mr M the £43 that he paid for the service guarantee is fair and reasonable in the circumstances”.*

So subject to any further representations by Mr M, his wife or Shop Direct, my provisional decision was that I was minded to uphold this complaint in part.

Mr M's wife, on his behalf, says that Mr M accepts my provisional decision. Shop Direct says that, as the two year extended warranty was in force in January 2017, if Mr M had contacted it at that point, he would have been advised to claim under the warranty.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not persuaded that I should change my provisional decision.

**my decision**

For the reasons set out above, my decision is that I uphold Mr M's complaint in part and I order Shop Direct Finance Company Limited to refund to Mr M the £43 that he paid for the service guarantee.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 July 2020.

Jarrold Hastings  
**ombudsman**