

## **complaint**

Mr N is unhappy with Creation Financial Services Limited's response to his complaint. This followed its rejection of his claim under Section 75 of the Consumer Credit Act 1974 (the 'Act') for the mis-sale of a solar thermal hot water system.

## **background**

Mr N has told us he was mis-sold his solar thermal hot water system. When he agreed to buy this from the supplier, E, he now thinks he didn't need it and would have been much better off with a cheaper alternative. So, he thinks he was '*conned*' into buying it and that Creation should take responsibility for this under Section 75 of the Act.

Mr N can't remember all the details of the sale, although he recalls being visited by a salesperson for a couple of hours. He hasn't said that any representations were made to him about the performance of the system that have turned out to be untrue. The system installed does heat his water and appears to be functioning correctly. But Mr N already had solar electricity panels. And he now thinks that the excess electricity from these would have been more than enough to heat his hot water with an alternative, much cheaper, set-up.

I understand that Mr N is happy with his solar electricity system. He had this installed almost 10 years ago and it brings in about £1,000 a year from Feed in Tariff (FIT) payments and the electricity generated. So, Mr N is benefitting from this. Mr N hasn't told us he was expecting any financial return from the hot water system, merely that it would heat his water using renewable energy.

Creation have rejected Mr N's claim and his subsequent complaint as it doesn't think that there was any breach of contract or misrepresentation for which it may be jointly liable with E under the Act. E has now gone out of business.

Our investigator looked into Mr N's complaint but didn't recommend that it be upheld. He didn't think that E had done something wrong for which Creation would be responsible under the Act. Mr N didn't agree. He thinks he was conned into buying something that he didn't need, as he could have received the same benefits by buying a much cheaper system. So, the matter has come to me for a decision.

## **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'm sorry to disappoint Mr N but I don't think his complaint should be upheld and for substantially the same reasons as our investigator. I'll explain why.

Section 75 of the Act doesn't cover every eventuality. When someone isn't happy with what they've been sold, a finance company is only liable to a consumer under that section where there was a breach of contract or a misrepresentation about the item sold.

I accept that Mr N now doesn't think he needed this hot water system. He became unhappy about it when he was told by another renewable energy company that he could have achieved the same result for a lot less money. But that doesn't mean that Creation are responsible for this.

I have a lot of sympathy for Mr N as he was happy with his solar electricity system and thought that this new hot water system would be equally as advantageous. Whilst it is working as described, and so is heating his hot water, I don't doubt that the same effect could have been achieved for a lower cost. And as Mr N says, he feels he's been conned.

We've been told that Mr N asked E if he could heat his water with the electricity generated by his solar panels. He was told that he didn't have the necessary hot water cylinder or equipment to do this. E said that its system was the best option. Although Mr N now doesn't believe that to have been true. But the system that Mr N bought was the one that E had for sale. It wasn't offering the alternative set-up and so I can't say, from what I've been told, that the benefits of the system E sold Mr N were misrepresented to him.

The law provides that Creation must take equal responsibility with E for specific things only. And I'm afraid that doesn't include all sales where a customer later finds out that what they've bought may not have been the best value product. E's salesperson didn't make representations to Mr N about the performance of the system or its financial benefits that turned out not to be true. And what was fitted was what Mr N contractually agreed to purchase.

So, whilst I empathise with Mr N that he's paid for something that, although it works, could have been done in a different way for less money, it's not something that I can hold Creation liable for.

### **my final decision**

It's my final decision not to uphold this complaint and I don't require that Creation Financial Services Limited needs to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 16 August 2020.

James Kennard  
**Ombudsman**