

complaint

Mr R has complained about the quality, and installation, of bathrooms he bought, partially using a point of sale loan from Hitachi Capital (UK) Plc.

Mr R has been represented by Mr H. But I'll refer to Mr H's submissions as having been made by Mr R himself.

background

Mr R bought two bathroom suites – a main family bathroom and an en-suite - from a third party supplier. He paid a deposit (around £2,000) himself, then covered the rest of the cost using a point of sale loan from Hitachi Capital. He has explained that there have been a number of problems – in particular, their fitting has been poor and has also caused damage.

He'd like me to consider his complaint against Hitachi Capital, taking into account section 75 of the Consumer Credit Act 1974. This allows me to look at complaints about goods and services against the business that provided the finance.

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 was provided with a considerable amount of evidence, including reports and photographs. I was also provided with statements about what may have been said – in particular, whether or not Mr R was told that he would need specific parts fitting in order to avoid a problem with mould.

I do not think it necessary for me to go into detail and analyse every issue and argument that've been raised. On balance – taking all of the evidence in the round - I'm satisfied that Mr R is experiencing the problems he has described. It's clear to me that he has had a number of issues with the bathrooms from the start, in particular with their installation, and that these are ongoing. Indeed, as recently as August he received correspondence telling him there could also now be a problem with the shower screens. I find what he's said compelling and persuasive.

However, I will comment specifically on the issue of whether he was warned he'd need a part fitting in order to avoid mould/damp/leaks. I don't think he was. This is because Mr R made a considerable investment in both bathrooms, and has since taken a number of steps to try to make them useable for his family. I'd be very surprised if he'd chosen to ignore initial advice about having a relatively cheap part fitted.

I'm also aware that it's been argued that damp problems have been made worse by the use of the bathrooms. I don't think Mr R should be held responsible for this. He had little choice but to use the bathrooms – particularly the main one – given how long the dispute's gone on for and given that he has a young family.

I'm satisfied Mr R did not receive the fitted bathrooms he paid for, and that this amounts to a breach of contract. I initially considered whether the fairest resolution would be repairs. But given the number of problems experienced, I feel it's preferable that he be allowed to 'reject' the bathrooms. This is particularly so in light of the latest correspondence indicating possible

problems with the shower screens. This means he'd receive back his deposit and repayments, with interest, and the agreement should be cancelled.

He should also be paid for the damage caused by the installation to be repaired. I understand he felt he had little option but to begin the repairs. I think this was reasonable, and also fair that he be allowed to employ his firm of choice. So he should be refunded reasonable costs he's already paid out, with interest. For costs not yet incurred, he should receive reimbursement (without interest) for reasonable costs, when he sends Hitachi Capital proof of these. Proof of costs should be in a reasonable format – for example, on headed paper or with the firm's name and address clearly set out, and with the individual items specified.

For the avoidance of doubt, I don't think it reasonable that Hitachi Capital be required (or permitted) to remove the bathrooms. This is partly because I feel it will cause further disruption, but also because I'd expect Mr R to cover the cost of this himself from his refund.

I can also see that Mr R contacted Hitachi Capital early on, but the matter wasn't resolved. I don't think this was fair, and it's left him without properly functioning bathrooms, in a family home, for nearly a year. I can also see that Hitachi Capital didn't respond to some correspondence, which caused more frustration. I think £500 compensation is appropriate to address this aspect of the complaint.

my final decision

For the reasons given above, it's my final decision to uphold this complaint. I require Hitachi Capital (UK) Plc to:

- a) cancel Mr R's agreement;
- b) refund Mr R his initial deposit, adding 8% simple interest per year, from the date of payment to the date of settlement;
- c) refund all of Mr R's repayments, adding 8% simple interest per year, from the date of each payment to the date of settlement;
- d) refund Mr R the reasonable cost of repairs he's incurred already, adding 8% simple interest per year, from the date of payment to the date of settlement – upon Mr R providing it with reasonable evidence of these costs as soon as possible;
- e) pay Mr R the costs of the remaining repairs - upon Mr R providing it with reasonable evidence of these costs; and
- f) pay him £500 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 December 2015.

**Elspeth Wood
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