

complaint

Mrs J complains that she was mis-sold solar panels. The cost was funded by a fixed sum loan from Creation Consumer Finance Ltd.

background

Mrs J entered into a fixed sum loan with Creation in May 2013 to pay for the cost of solar panels in her home. She had to make 120 monthly payments of £130.16. Mrs J says that she was told the solar panels would not cost her money. She thought they would save her money. Mrs J is unhappy that the savings in her energy bills is less than the monthly loan payments. Mrs J raised this with the supplier. It paid her £600. This was because she had been wrongly charged for the panels fitted, and it included a sum to help with the loan repayments.

The company that supplied the panels to Mrs J has since gone into liquidation.

Mrs J complained to Creation but it did not uphold her complaint. It said the repayments Mrs J would have to make were clear from the documents she signed. She brought her complaint to us to consider.

The adjudicator did not recommend that the complaint should be upheld. She noted that Mrs J had not paid for electricity bills since the panels were installed. The adjudicator considered that the loan repayments she would have to make were clear from the loan agreement she signed. Mrs J was given a document showing her estimated savings. It was clear from this that it would not cover the loan repayments.

Mrs J is not happy to accept the adjudicator's recommendation. She says, in summary, that her monthly energy bill was £66 before the panels were fitted. Mrs J now has to pay £116 to cover her bill and loan repayment. She was told the panels would not cost her anything.

Mrs J complained on a number of occasions to the supplier but did not receive a response. She has to pay £4,534.20 in interest payments under the 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.

I can see that Mrs J feels very strongly about this issue and I have considered her submissions carefully. She says the panels were misrepresented to her. Mrs J was told that they wouldn't cost her anything. This isn't the case, in part due to the interest payable under the loan agreement.

As I was not present at the meeting between Mrs J and the salesperson, I cannot know exactly what was said. I must also consider the documentation and what this tells me. On the face of it, the agreement Mrs J signed makes it clear that it is a loan agreement. There is a section setting out the cost of the solar panels, and the separate interest Mrs J will be charged. I can see that the section setting out the interest rate is directly above the signature box where Mrs J signed. I would expect Mrs J to have carefully checked the agreement before she signed it.

Mrs J was also left with a copy of the agreement showing the interest on the loan and setting out her right to withdraw from the agreement within 14 days. Mrs J would have had the opportunity to review this at her leisure once the salesperson had left.

Mrs J is adamant that the finance agreement was mis-sold as she was told the panels would effectively be free. I have no reason to doubt her understanding of the transaction. But having considered all of the evidence, particularly the paperwork, I do not have strong enough evidence to conclude that the finance agreement was mis-sold.

I know my decision will come as a disappointment to her, but I hope Mrs J will understand why I have decided not to uphold the complaint.

my final decision

For the reasons I have explained, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 18 February 2016.

Rosemary Lloyd
ombudsman