

complaint

Ms R complains about a boiler and service plan she bought in 2013 through finance from A Shade Greener Limited ('ASG').

background

In summary, Ms R says that the day after the installation of the boiler she had problems with leaks. She says that she reported this to ASG straight away but the engineers took too long to fix the problems and a lot of damage was caused to her property. She says that it caused her family a great deal of inconvenience and stress. And sorting out the issues has taken a long time and she has lost faith in ASG.

ASG says that its insurers paid Ms R £8,800 for the damage to her property. And it has agreed to write off £1,000 in arrears because of the inconvenience caused to Ms R.

Our adjudicator said that ASG should also cancel the contract and let her keep the boiler. She also said that it should pay for work on the ceiling and lounge carpet which wasn't covered by the insurance claim (up to a value of £1,000). And pay Ms R £500 in extra compensation.

ASG isn't happy with this. In summary, it thinks it's unfair to cancel the contract. It said its service wasn't as bad as Ms R is saying. And going forward (if Ms R wanted) it would provide the boiler servicing through a third party.

Ms R says she doesn't want any further relationship with ASG because of what has happened. She says she has lost faith in its ability to service and maintain her boiler.

I issued a provisional decision on this case on 18 July 2016. This says:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I am writing a provisional decision as I don't quite agree that the adjudicator's proposal is a fair way to put things right.

ASG appears to accept that its installation caused damage to Ms R's property. So for me I believe there are two main issues to determine now. The outstanding compensation and what happens with the contract going forward.

compensation

ASG's insurers paid Ms R a figure of £8,800 for the damage caused to her property by the leaks (following the assessment from the loss adjuster). And ASG covered the excess too.

Ms R says that this money did not include an assessment of her lounge carpet and ceiling damage. She has sent correspondence from the loss adjuster to back this up.

From what I can see both the lounge carpet and ceiling damage were not part of the insurance pay-out because they were assessed as separate claims falling below the £500 policy excess. So I think ASG should pay Ms R separately for the damage to these things. If she has proof of repairs (or a quote for work) then ASG should pay her for this up to a total value no more than £1,000 (£500 for each claim).

I agree that Ms R has been caused significant distress and inconvenience by the extensive damage to her property. I think that ASG offering to write off £1,000 of arrears (in addition to the other redress I have recommended) is appropriate compensation.

what happens going forward?

It is awful that there were problems with the boiler ASG installed. From what she has said I can see how it affected her family and how stressful it was for her as a result. It seems that Ms R has a working boiler now. And although this bad thing has happened, Ms R will hopefully have use of this new boiler for many years to come.

Considering all the circumstances (including the other compensation proposed) I don't think it is fair for Ms R to keep the boiler at no further cost. And although I think Ms R would probably be happy for the boiler to be taken out this seems impractical and would likely cause her further inconvenience.

Ms R says she has lost faith with ASG and doesn't want it continuing to service the boiler. I know ASG has offered to have a third party carry out further servicing. But considering the breakdown of relations between the parties as a whole it may be better if Ms R can arrange her own maintenance and servicing going forward.

So while I think it would be fair if Ms R keeps and continues to pay for the boiler, she should have the maintenance and service agreement cancelled and her account re-worked accordingly. I know she has had some use from the service cover already but considering the problems with the initial installation I don't think ASG should keep any payments Ms R has made towards this part of the contract.

I can see that Ms R agreed to pay £3793.21 for the installed equipment and £4722.49 for the maintenance and service. So she should have her account re-worked so that the cost of the service contract is removed. And (subject to any remaining arrears) she should be refunded for the payments she has already made towards that part of the contract. Ms R can then continue to pay the remaining balance.

I have set out my proposal below. I recognise how strongly Ms R feels about ASG's level of service going forward – so I hope she can see this as a fair compromise. I also hope that ASG can agree that this is a fair way to recognise that while Ms R deserves compensation – she should also pay for the boiler.

my provisional decision

A Shade Greener Limited should:

- *write off £1,000 of arrears from the account;*
- *pay Ms R for repairs to her ceiling and lounge carpet once she produces a quote or invoice for the work (up to a maximum of £1,000);*
- *cancel the maintenance and service contract for the boiler;*
- *re-work the outstanding balance on the account so that the cost of the maintenance and service contract element (£4722.49) is removed; and*
- *the portion of payments Ms R has paid towards the maintenance and service contract element should be applied to any outstanding arrears first, and if there is any excess left over this should then be refunded to her.*

I asked both parties for their comments:

In summary, ASG said it wasn't happy with the outcome but would accept my provisional findings. It said it was concerned that Ms R will have up to £1,000 to replace the lounge carpets and repair the ceiling, and may not replace / repair like with like.

In summary, Ms R says she is prepared to pay for the boiler but much less than she originally agreed. She says:

- ASG installed a lower value boiler than advertised and overcharged for a poor installation
- ASG sent her a letter stating the boiler has been reported as faulty
- the boiler has been discontinued which will make it hard for her to purchase parts in the future and will mean she has to replace it at some point
- she should only pay £349+VAT which is the market value based on her research

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 know ASG is concerned about the £1,000 budget for work on the lounge carpets and ceiling. To be clear Ms R will have up to a maximum of £500 for each job. And this figure is based on what the loss adjusters have said. But, of course, in the interest of fairness Ms R should get quotes based on like for like replacement / repair.

Ms R says the boiler is currently worthless and indicates it has been taken off the market due to a fault. But I'm not sure about that based on what I've seen. Products get discontinued and replaced with new models frequently - it doesn't mean they are faulty. Or that they can't be serviced going forward. And the letter Ms R received was from July 2015 about a problem experienced in some units. It doesn't seem that Ms R's boiler has the same issue – or that it couldn't be fixed at the time.

Ms R also says that ASG only advertises a certain model of boiler ('Brand V') and she got a different one. But I am not persuaded her boiler was mis-sold at the time. Her agreement with ASG is from around three years ago and it isn't clear what models were on offer then. No particular model is specified on the agreement either. And it didn't seem a crucial factor to her at the time - I can't see that she complained about it then.

I know Ms R says she paid over the odds and she can now get the same boiler for much less. But the sale was several years ago (when the model was current) and different suppliers charge different amounts. At the time Ms R was happy to agree a certain price for a boiler (with installation). I don't think I can fairly call this a mistake by ASG.

I know Ms R says the cost of the boiler is mostly for the installation and she shouldn't have to pay for that. She says it should have been free and it was a poor installation anyway. It isn't clear to me how much of the cost is the boiler and how much is the installation. But in any case, Ms R is already being compensated for the problems with the installation. And those issues were fixed. She now has a functioning set-up for the total cost she originally agreed.

I know Ms R is very upset about what has happened. But she has got some compensation from ASG through its insurers. And I have already said that ASG should do more to put things right. I sympathise with the situation she went through. But it doesn't feel fair that she also gets the boiler for less than she originally agreed to pay.

I am not going to change my provisional findings. My decision and reasoning is the same. But I have clarified in my redress (below) that the cost of repair work is a maximum of £500 for the carpet and £500 for the ceiling rather than a £1,000 global figure.

my final decision

A Shade Greener Limited should:

- write off £1,000 of arrears from the account;
- pay Ms R for repairs to her ceiling and lounge carpet once she produces a quote or invoice for the work (up to a maximum of £500 per repair);
- cancel the maintenance and service contract for the boiler;
- re-work the outstanding balance on the account so that the cost of the maintenance and service contract element (£4722.49) is removed; and
- the portion of payments Ms R has paid towards the maintenance and service contract element should be applied to any outstanding arrears first, and if there is any excess left over this should then be refunded to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 22 August 2016.

Mark Lancod
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