

The complaint

Ms P complaint is about Ikano Bank AB (publ) ('Ikano'). Ms P has been represented in her complaint. For simplicity, I will refer to Ms P throughout this decision.

Ms P says Ikano's response to a complaint she made was unfair. The complaint had different parts but included the following; the solar panel system was misrepresented to Ms P who was told that they would be self-funding, Ms P thought the proper credit checks had not been performed, the relationship with Ikano Bank was unfair, and Ms P had concerns about the quality of the installation. The complaint points were raised in the light of perceived failings under s.56, s75 and s.140A of the Consumer Credit Act (CCA) 1974.

What happened

In 2020, Ms P purchased a solar panel system from a supplier. She paid for this using a loan from Ikano, which was repayable over 120 months with the first repayments deferred for 12 months.

In 2023, Ms P made a claim to Ikano. Ikano rejected the claim. It did not think there had been a misrepresentation or that its relationship with Ms P was unfair on her. It told us no commission was paid to the supplier, that pre-contract information and cancellation rights were provided and that it did suitable credit checks before accepting the loan application.

Unhappy with this, Ms P made a complaint and asked the Financial Ombudsman Service to look into what had happened. Our investigator didn't think the complaint should be upheld. Ms P was unhappy with this. As a result, I've been asked to make a decision.

What I've decided – and why

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

Section 75 means that Ikano can be held liable for any misrepresentation by the supplier when selling the system to Ms P. And Section 140 allows a court to find the relationship between a creditor and debtor was unfair on the debtor for various reasons.

Having thought about what happened, I've decided not to uphold this complaint. As I have made the same findings and for the same reasons previously given by our investigator, I am proceeding directly to a final decision.

Misrepresentation

Ms P alleges she was told the system would pay for itself because the income and savings generated would cover the monthly loan repayments.

I have noted the loan agreement that is signed by Ms P and dated 7 August 2020. The fixed sum loan agreement sets out the amount being borrowed; the interest charged; the total amount payable; the term; and the contractual monthly loan repayments. I think this

was set out clearly enough for Ms P to be able to understand what was required to be repaid towards the agreement.

But the supplier had already provided Ms P with an order form and contract document that she signed and is dated 22 July 2020. This document included an estimate of a possible financial benefit of the system in the first year of £518.45. Ms P has acknowledged being made aware of the figure in that document.

I have also noted the document called 'Your Order'. This is signed by Ms P and dated 22 July 2020. In a section called 'Indicative Customer Quote' Ms P is provided an estimate of 'Year 1 estimated potential savings' of £377.10. This information is prominently displayed and is on the page above the one that was signed by Ms P.

I think the above-mentioned information ought to have shown Ms P the savings wouldn't have covered the annual loan repayments cost which were over £2,000. I would have expected Ms P to have queried the shortfall if she'd been told the system would be self-funding.

I'm not pretending this is straightforward, but it seems more likely that it would have been straight-forward enough for Ms P to have seen the system wouldn't be self-funding, based on the evidence she had at the time and which she signed at the time of the sale.

Overall, while I've carefully considered what Ms P says she was told, given what I've set out above, I'm not persuaded there's sufficient evidence Ms P was misled the system would be self-funding. Therefore, I don't have the grounds to say that Ikano misrepresented the system to Ms P or are liable for an unfair relationship in this matter. And I've seen insufficient evidence to say that Ikano's decision to decline the claim was unfair.

Unfair relationship

I am not persuaded that a court would conclude Ms P's relationship with Ikano was unfair on her because:

- No commission was paid to the supplier by Ikano.
- Ms P was provided with pre-contract information, including her cancellation rights.
- The loan agreement clearly set out the costs, including the monthly loan repayments and total amount repayable, so I think Ms P would've understood this.
- Ikano told us they did carry out a creditworthiness assessment, and I've seen nothing that leads me to think this was not suitable or that Ikano should've rejected Ms P's loan application.

Additional points

Ms P told us she had several issues with the quality of the installation. In February 2024, we asked for more information to investigate this aspect of her complaint. We have received no response on this matter. As a result, I have seen insufficient evidence that the supplier failed to work with reasonable care and skill.

So, I do not think that the supplier's alleged failures have been sufficiently evidenced for me to think this amounted to a breach of contract.

Summary

Overall, I do not think the alleged misrepresentation took place or that the relationship between Ms P and Ikano was unfair on her. So, I don't think that Ikano acted unfairly when it rejected Ms P's claim and complaint.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 14 January 2025.

Douglas Sayers
Ombudsman