

The complaint

Mr B complains that a kitchen that he paid for using a fixed sum loan agreement with Creation Consumer Finance Limited wasn't of satisfactory quality.

What happened

Mr B entered into a fixed sum loan agreement with Creation Consumer Finance in July 2023 to pay for a kitchen to be supplied to him. The price of the kitchen was £21,603.37 and he paid a deposit of £2,443.93 so the amount of credit provided to him was £19,159.44. He agreed to make two payments of £319.32 and 58 monthly payments of £319.32 to Creation Consumer Finance. The kitchen was to be supplied on a supply only basis with Mr B arranging for it to be installed.

There were some issues with the kitchen when it was delivered and installed so Mr B complained to the supplier and made a claim under section 75 of the Consumer Credit Act 1974 to Creation Consumer Finance. Creation Consumer Finance offered to refund £1,825.45 to Mr B, which was 50% of the cost of the fronts of the cupboards. Mr B didn't accept that offer and complained to this service.

The supplier arranged a field installation visit in January 2024 and then offered two options to Mr B. The first option was to replace eleven items, supply some work tops to be cut to size, and to pay fitting costs of £980, £400 compensation and £32.47 for damage to a wall. The second option was an allowance of £2,639.59 to keep the kitchen as was with no further replacements or works plus £400 compensation and £32.47 for the damage to a wall. Neither option was accepted by Mr B and the supplier then increased its offer of compensation to £600, to reimburse Mr B for additional fitting costs of £380 that he'd already incurred and to pay £200 because some appliances would need to be disconnected.

Mr B's complaint was then looked at by one of this service's investigators who, having considered everything, thought that the revised offers made by the supplier were fair offers and that Mr B could choose the one that suited him best. Mr B didn't agree with the investigator's recommendation and asked for his complaint to be considered by an ombudsman. But the supplier and Mr B then agreed that the supplier would supply eleven replacement items free of charge, reimburse £380 to Mr B for additional fitting costs that he'd already incurred and pay £1,250 for the eleven items to be fitted, £340 for disconnection and reconnection of appliances, £32.47 for damage to a wall and £600 compensation. It was also agreed that the warranty would remain on the full kitchen.

The replacement items were delivered in October 2024 but Mr B says that the delivery was well below the required standard so the complete delivery was being rejected and was available for collection. He says that seven items of the eleven delivered were unsatisfactory and two were never opened. The investigator recommended that Creation Consumer Finance should make sure that the seven items were resent to Mr B as a priority after quality checks were completed and that, once the delivery was confirmed, it should make sure that the agreed funds were refunded within two weeks.

Mr B says that he'd like an ombudsman to look into this fully, and hopefully influence the supplier into changing its ways. He's described some of his issues with the supplier and says that until stiff penalties and sanctions are imposed he feels that he'll be one of many unsatisfied customers that are in a position of powerlessness, having paid fully in good faith, only to be treated in bad faith.

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.

In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. To be able to uphold Mr B's complaint about Creation Consumer Finance, I must be satisfied that there's been a breach of contract or misrepresentation by the supplier and that Creation Consumer Finance's response to his claim under section 75 wasn't fair or reasonable. I'm not determining the outcome of Mr B's claim under section 75 as only a court would be able to do that. As Mr B's complaint is about Creation Consumer Finance (and not about the supplier), I'm unable to require the supplier to take any action in response to this complaint.

There have clearly been significant issues with the kitchen units that were supplied to Mr B and I can understand the frustration and inconvenience that that has caused to him and his family. I consider that those issues would amount to a breach of contract by the supplier for which Creation Consumer Finance would be liable under section 75.

The supplier and Mr B agreed that the supplier would supply eleven replacement items free of charge, reimburse £380 to Mr B for additional fitting costs that he'd already incurred and pay £1,250 for the eleven items to be fitted, £340 for disconnection and reconnection of appliances, £32.47 for damage to a wall and £600 compensation, and that the warranty would remain on the full kitchen. I consider that to have been a fair and reasonable response to the breach of contract.

When the replacement items were delivered, Mr B says that seven of them were unsatisfactory. Mr B says that he's running out of patience and faith with the supplier's ability to provide quality items in a reasonable time frame and I understand the further frustration and inconvenience that has been caused to him and his family. I agree with the investigator that it would now be fair and reasonable for Creation Consumer Finance to ensure that replacements for those unsatisfactory items are sent to Mr B by the supplier as a priority and after quality checks are completed and that once they've been received and are confirmed by Mr B to be acceptable, it should either ensure that the agreed payments are made to Mr B by the supplier within two weeks or pay the agreed amounts, totalling £2,602.47, to Mr B within two weeks.

I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Creation Consumer Finance to take any other action in response to Mr B's complaint.

Putting things right

I find that it would be fair and reasonable for Creation Consumer Finance to ensure that replacements for the seven unsatisfactory items are sent to Mr B by the supplier as a priority and after quality checks are completed and that, once they've been received and are confirmed by Mr B to be acceptable, it should either ensure that the agreed payments are

made to Mr B by the supplier within two weeks or pay the agreed amounts, totalling £2,602.47, to Mr B within two weeks.

My final decision

My decision is that I uphold Mr B's complaint and I order Creation Consumer Finance Limited to take the actions described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 December 2024.

Jarrold Hastings
Ombudsman