



MY COUCH HAS BEEN HELD CAPTIVE

Beware when buying a sofa in case the company goes bust. By *Katrina Burroughs*



In retail, as in comedy, timing is everything. Joanne Hibbert, 44, a stay-at-home mum, and her husband, Magnus, 46, who works in human resources at a healthcare company, placed an order with the furniture company Arlo & Jacob's Marlow showroom on February 8, paying £6,509 for two large Cartwright sofas, a Hastings ottoman and two Stella armchairs.

"We knew exactly what we wanted and had been looking forward to buying them," Joanne says. "We had great service in store."

Subsequently her enthusiasm has waned. "When we ordered the sofas we said please don't deliver them until April. We were doing a renovation project. We got a call from Keen & Able, the delivery company, on March 12 saying, 'We've got them — do you want them?' We said no, we haven't got windows yet. They said, 'You give us a call when you need them.'"

However, when Joanne phoned back, she learnt that her furniture would not be delivered after all. Arlo & Jacob had gone into administration at the beginning of April, and changed hands on May 28, when Mark Smith, the chief executive of DM Midlands Holdings, acquired the intellectual property, order book and production assets used by H&F Upholstery, trading as Arlo & Jacob. With the change of ownership, the Hibberts' furniture was no



Arlo & Jacob's Hastings ottoman, in green

longer theirs.

Arlo & Jacob's customer service department advised the couple to claim the cost of the furniture from the issuer of the John Lewis Mastercard they used to pay for it, under section 75 of the Consumer Credit Act 1974, and offered them a 10% discount should

they wish to "repurchase" their furniture.

Analysts agree that we are about to suffer a once-in-a-generation economic downturn, and that consumers need to know how to avoid the pitfalls of buying amid such instability.

"We are very aware that this



How to protect your money

Our general advice would be to purchase on your credit card because you'll be protected under section 75 of the Consumer Credit Act, as long as the product is worth between £100 and £30,000. You don't have to have put the full amount on your credit

card. If you were to buy a £1,000 sofa, you could put £50 of the cost on your card and your credit card company is still liable under that section 75. There is another protection, called chargeback, which covers you for smaller-value purchases. It's a

voluntary scheme run by card providers, and effectively it means that they will try to claw money back from the recipient account into yours.

Adam French is the senior consumer rights editor at Which?

will be happening more and more," says Adam French, the senior consumer rights editor at Which?. "When Laura Ashley went bust, quite a lot of people had expensive preorders with them. We've had retailers entering voluntary administration arrangements as well — Debenhams being one of the bigger ones — to make sure they protect themselves from their creditors."

Richard Lim, the chief executive of Retail Economics, a research consultancy, says: "Our forecast for the homewares sector for 2020 is for sales to decline in the region of 22.5%. These are unprecedented declines."

Marco Amasanti, a retail analyst at Mintel, paints a similar picture. "On the whole, the home retail sector will see sales fall over the course of 2020, as a result of store closures, withheld spending, suppressed appetite for big-ticket items and a slowing housing market."

None of which is good news for sofa companies, or the supply chains behind them.

Supply chains are stacked

like dominoes, so when one part topples, dependent businesses often fall. Harvey Roberts, the commercial director of Arlo & Jacob, says: "Our parent company, JDP Furniture Group, also owned Welbeck House, which was the main supplier to Laura Ashley, and when Laura Ashley collapsed it sent our whole group into administration."

When Arlo & Jacob was bought 42 jobs were saved, and its showrooms were able to reopen on June 15 with no noticeable alteration to the staff, offering or branding. So if everything else is visibly the same as before administration, why has ownership of the furniture changed?

"The original contract was with the previous owner of the company," Roberts explains. "The new company owns furniture that was already made or in production. The title changes when the customer has received the delivery to their home."

Roberts spoke to Magnus last week, and sums up their conversation. "It is an unfortunate situation. I did explain he will have to follow

the chargeback and reorder process. We will hold on to that furniture until we hear from him." Fortunately, payment was made by credit card. What would Roberts say to people who paid cash? "I would advise people who paid cash to contact us direct and talk to us."

The Hibberts are not happy. Joanne can't square the cosy image projected by the brand with her experience. "They do pop-up cinemas, give you cups of coffee . . . it's all very touchy-feely."

"We have not as yet accepted the discount. We are not in a position to do so until our credit card company potentially does, or does not, approve the claim. We have also not committed to buying the sofas on these terms if our credit card accepts the claim."

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Opening image: Arlo & Jacob's Hastings ottoman, similar to the one the Hibberts bought but can't access ■

