

## **The complaint**

Mrs A complains that Barclays Bank UK PLC rejected her claim under Section 75 Consumer Credit Act 1974 in respect of an unsatisfactory cycling holiday.

## **What happened**

Mrs A contacted a holiday company I will call L with a view to booking a short cycling break overseas. Work commitments meant that she was unable to go and after discussing the suitability of the trip for her husband she booked the holiday at a cost of £625 using her credit card.

Mr A had a number of issues with the holiday. Apparently, it was aimed higher level cyclists which caused difficulties and limited his participation. He also had to pay a deposit for a bike which he wasn't expecting. There was confusion as to the dates and Mr A was unable to participate in the final day due to him having to fly home. She also says that the transport to the airport for the return flight was booked for a time which would not have enabled him to have time to check in.

L accepted some of the complaints and offered to refund £250. Mrs A contacted Barclaycard and it rejected her claim under Section 75, but offered to make her a goodwill payment of £100. Initially it said that it didn't have sufficient proof to uphold her claim. Subsequently it told her that the claim didn't meet the criteria of Section 75 as the required debtor-creditor-supplier chain didn't exist. However, it also offered her £100 for the poor service it had provided.

Mrs A brought her complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. She explained that for a credit provider to be held liable under the act certain provisions must be met. These include the requirement that there is an unbroken debtor-creditor-supplier (DCS) chain to the transaction.

She said that Mrs A was the debtor, Barclays was the creditor and L was the supplier. The trip was taken by Mr A and it was he who suffered the problems, but he wasn't in the DCS chain, which means that the link was broken. Therefore, he was unable to claim when things went wrong.

Mrs A said the expenditure was for a person in her household and she wondered if a holiday for a child would be treated the same way. She said the upset her husband experienced was shared by them all. Our investigator explained that child would not be able to enter into a contract and a supplier may consider the contract to be with the person making the booking. Mrs A felt her claim was being rejected on technicality and asked that the matter be considered by an ombudsman.

## **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.

I have every sympathy with Mrs A, but I do not consider I can uphold her complaint. I will explain why.

This complaint has been submitted as a claim under section 75 of the Consumer Credit Act 1974. Section 75 offers protection to customers who use certain types of credit to make purchases of goods or services. Under section 75 the consumer has an equal right to claim against the provider of the credit or the retailer providing the goods or services, if there has been a misrepresentation or breach of contract on the supplier's part.

For section 75 to apply, the law effectively says that there has to be a:

- Debtor-creditor-supplier chain to an agreement *and*
- A clear breach of contract or misrepresentation by the supplier in the chain.

I can appreciate Mrs A's view that the matter is being decided on a technicality, but I am obliged to have due regard to the law. The Consumer Credit Act sets out the limitations of redress which can be sought from the creditor. While I appreciate Mrs A's point about morality the law makes it quite clear that there has to be a direct link between the three persons/entities involved.

In this matter the debtor is Mrs A, the creditor is Barclays and the supplier is L. However, the user of the service provided by L was Mr A and even though he is member of the same household he is not Mrs A. That means he does not have the protection afforded by section 75. The law does not extend the protection to other parties. Quite simply, I cannot direct Barclays to ignore the law and refund the cost of the holiday.

I would add that in cases where holidays are not of an acceptable standard this service does not usually required the creditor to refund the full sum paid. We take into account that the flights were taken and the hotel was used and so it usual for only a partial refund to be recommended. I don't consider it appropriate to comment in any detail on the compensation offered, but I do note Mrs A has been offered £350 plus £100 for the poor service provided by the bank.

In conclusion, while I can understand Mrs A's disappointment, I regret that I am unable to uphold this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 28 January 2021.

Ivor Graham  
**Ombudsman**