

## **The complaint**

Mrs C complains NewDay Ltd (NewDay) failed to deal with a section 75 claim fairly.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator.

I've read and considered the whole file, including the additional comments submitted by Mrs C for my consideration, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

When something goes wrong with goods or services, and the payment was made, in part or whole, with credit or debit card, it might be possible to recover the money paid through a chargeback scheme or a section 75 claim. This section of the Consumer Credit Act (1974) says that in certain circumstances, a finance provider can be responsible for a breach of contract or a misrepresentation made by the supplier.

In this case Mrs C purchased a custom made stairlift for her mother costing £4,400. She paid £2,150 on her NewDay credit card and the remaining balance of £2,250 on another provider's debit card.

Mrs C raised a section 75 claim with NewDay for the full amount of the purchase but NewDay reviewed the £2,150 transaction and submitted a chargeback based upon the goods or services being defective or not as described. This was successful and a credit was applied to her account on 10 January 2022. It then advised Mrs C to the other provider to raise a chargeback claim for the remaining £2,250. Mrs C confirmed she did so on 8 February 2022 and that this had been successful.

I appreciate Mrs C is unhappy that NewDay didn't proceed with the section 75 claim, but it explained that its policy is attempt a chargeback first to mitigate losses. It has acknowledged it could and should have made this clear to you at the beginning and didn't specifically state that your section 75 claim had been closed when they started the chargeback and offered Mrs C £45 as compensation for this.

Mrs C has said she felt her claim would have been dealt with more swiftly had a section 75 been raised but I don't agree this is the case and with both providers it seems to me the chargeback scheme was raised in a timely manner and both were successful.

I find that NewDay acted fairly and reasonably in the circumstances of this complaint and I'm not going to ask it to do anything further.

**My final decision**

For the reasons I have given I don't uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 28 December 2022.

Wendy Steele  
**Ombudsman**