

## **The complaint**

Mrs J is unhappy how JAJA FINANCE LTD (JAJA) handled her request for help to recover money following a purchase to an event she made online.

## **What happened**

At the end of September 2020, Mrs J purchased a ticket to a two-day online event direct through the supplier, who I'll refer to as D. Mrs J expected D to be presenting live for the two days too. She paid £272.51 to attend the event, using her JAJA credit card. The event took place on 24 and 25 October 2020.

A couple of days after the online event, Mrs J got in touch with D and told them she was unhappy with it as she hadn't received what she'd been led to expect from it. She said the literature said D would be presenting live throughout the event, but this hadn't been the case. She said D had been introduced as a special guest at one time, but the rest of her involvement had been pre-recorded to be shown during the event. She also expressed some disappointment with the running of the event and some of the additional services provided. D acknowledged Mrs J's concerns but didn't address them. Mrs J tried on several more occasions to resolve the matter with D, but she couldn't.

Because of this, she approached JAJA in mid-July 2021 and asked them for help to recover her money. She told them that she'd paid for a live performance but much of it had been pre-recorded. Mrs J felt there had been a breach of contract. At this time, she told JAJA that she'd been trying to sort the matter out with D for several months but hadn't been offered a solution. JAJA told Mrs J that her dispute was within the chargeback scheme rules guidelines and they sent her a dispute declaration form to complete, which Mrs J returned a week or so later.

Once Mrs J's dispute form was received JAJA informed her that they couldn't take her claim any further under the chargeback scheme as it was outside of the stipulated time limits. Mrs J wasn't happy with this and spoke to JAJA about it. They explained this again to her and considered whether she had a right to claim under Section 75 (S75) of the Consumer Credit Act 1974. JAJA told Mrs J that they couldn't see any evidence of a breach of contract or misrepresentation occurring and her S75 claim couldn't be taken further.

Unhappy with JAJA's response and handling of her request, Mrs J brought her complaint to our service. While our investigator was reviewing things, JAJA acknowledged that Mrs J had been given incorrect information during her first telephone call with them, and she shouldn't have been told her dispute was within the chargeback scheme rules guidelines. They also acknowledged that one of Mrs J's emails to them hadn't been responded to, and they offered Mrs J £100 compensation for these errors. Our investigator didn't uphold Mrs J's complaint. He said the chargeback couldn't have been raised as it was outside of the chargeback scheme rules. Regarding S75, he said he couldn't see any evidence of a breach of contract or misrepresentation in the information provided. He said the information about the event didn't confirm how long D would be presenting live, so didn't think JAJA had acted unfairly by not accepting the S75 claim. He said they had made errors in their initial discussions with Mrs J but felt the £100 they'd offered was fair compensation.

Mrs J didn't accept this. She said the sales literature confirmed the event as a two-day live, virtual event presented by D and a colleague. And she hadn't received this. Because of that she maintained that it was a breach of contract and a S75 claim should be considered.

As Mrs J didn't agree, it was passed to me to decide.

Prior to writing this decision I have been in communication with both parties. I explained to JAJA that I agreed with their reason for not taking a chargeback claim further. In relation to the S75 claim, I told them that, whilst I could understand why they had reached the conclusion they had, I felt they should have provided Mrs J with more explanation as to why they had said what they had. I asked them to think about increasing their offer to £200 in total. JAJA agreed. Mrs J didn't. She feels she should still be offered more back as she continues to believe the event was misrepresented to her.

As she's still not in agreement, she's asked for a final 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.

There are different ways in which a bank can assist customers who have had issues with goods or services not being provided. In some cases, a bank may be able to request a refund from the supplier through the chargeback scheme. This is a way in which payment settlement disputes are resolved between cardholders and suppliers/merchants. They are dealt with under the relevant card scheme rules and in this case that's Visa. In certain circumstances the process provides a way for JAJA to ask for a payment Mrs J made to be refunded.

There is no obligation for a card issuer to raise a chargeback when a consumer asks for one. But I would consider it good practice for a chargeback to be attempted where the right exists and there is a reasonable chance of success.

In Mrs J's case, JAJA didn't raise a chargeback when she got in touch with them. And I understand why in this case. The chargeback scheme rules set out specific time limits in which a chargeback claim can be raised. In Mrs J's case the rules state that a chargeback claim must be raised within 120 days of the date the expected service was received. The final day of Mrs J's online event was 25 October 2020, so she had 120 days from then in which to ask JAJA to raise a chargeback for her. She didn't get in contact with them until July 2021, which is some way outside of the 120-day time limit. I can see from the information she's provided she was in contact with the supplier during that time trying to sort the matter out with them. But that doesn't put a suspension on any time limits within the chargeback scheme rules. As Mrs J had brought her concerns to JAJA outside of the chargeback scheme time limits, they couldn't take that any further for her. Because of the restrictions of the chargeback scheme, I think that's reasonable.

Section 75 says that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there's either a breach of contract or misrepresentation by the supplier of goods or services. JAJA have told Mrs J that they haven't seen any evidence to show a breach of contract or misrepresentation. I don't necessarily agree with that, but I do think the evidence provided might struggle to satisfy any interpretation of misrepresentation. I'll explain why.

The literature Mrs J has provided doesn't confirm any terms and conditions that were agreed by her in relation to the event. So, I can't say that a breach of contract has taken place. But I

can understand why Mrs J might feel the event was misrepresented to her. She has highlighted several pieces of the event literature that she believes leads her to expect that D will be present for the whole of the event. And she's clearly expressed her level of dissatisfaction that this didn't happen. But expressing a general level of dissatisfaction isn't enough to conclude the event was misrepresented – and the information in the literature is, in my opinion, open to interpretation. The literature does say that D will be present, but it doesn't say at what time or for how long. At the very least it is by no means clear-cut.

What I'm considering here is JAJA's liability for a 'like claim' and for me to say it's reasonable for them to reimburse Mrs J for the total amount, I'd have to believe a court would tell the supplier to reimburse her. As I've said above, I don't think this is by any means clear-cut from the information I've reviewed. It's possible that a price reduction could be considered, but I can't say that with any certainty. So, it follows that I don't think it's fair to ask JAJA to give Mrs J a full refund for the event.

JAJA have accepted that Mrs J was given some incorrect information when she initially called them to raise a dispute and that an email from her went unanswered. They offered her £100 compensation to reflect that which Mrs J refused. But I also think JAJA should have communicated their decision better to Mrs J. I think Mrs J had provided evidence to them to suggest why she thought the event had been misrepresented to her, and I think JAJA should have taken more time in their final response letter to explain their reasoning why they wouldn't be taking Mrs J's Section 75 claim any further. I've asked JAJA to increase their offer of compensation by £100, to a total amount of £200. They've agreed to this. Based on everything that I've been provided with from both sides I think this is fair in the circumstances.

I know this will come as a disappointment to Mrs J as she feels she should be entitled to more. I understand her strength of feeling here, but I also have to consider that she attended the two-day event and has admitted to getting some benefit from it. I think the increased offer from JAJA is fair, and I won't be asking them to increase it.

### **My final decision**

JAJA FINANCE LTD have made an offer of £200 to settle this complaint. I think that's fair in the circumstances.

So, my decision is that JAJA FINANCE LTD must pay Mrs J £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 9 January 2023.

Kevin Parmenter  
**Ombudsman**