

The complaint

Mr C complains about the way Barclays Bank UK PLC trading as Barclaycard handled his claim for a refund under section 75 of the Consumer Credit Act 1974 ("section 75").

What happened

Mr C purchased a bike from a retailer in September 2022 using his Barclaycard credit card. The bike was ready for collection in November 2022. Mr C says the bike had a fault and the retailer agreed to replace it. Mr C collected the replacement bike in December 2022.

Mr C contacted the retailer in January 2023 to say that the replacement bike was also not of satisfactory quality. In summary, he said the frame had rust, a tyre was punctured after he used it and it was supposed to be resistant to punctures from new, the frame was older than the original bike and it had been poorly serviced prior to being handed over to him.

The retailer didn't agree to refund Mr C as it didn't think there was anything wrong with the bike. Mr C then approached the manufacturer, who eventually agreed to inspect the bike. The manufacturer said that the inspection showed that the small amount of rust on the bike was normal and expected and that it found nothing to indicate the bike wasn't of satisfactory quality.

Mr C then made a claim to Barclaycard in May 2023 under section 75. He asked it to refund him for the purchase as the bike wasn't of satisfactory quality. Barclaycard asked Mr C to submit further documentation, which he did. Over the next few months Barclaycard made further requests to Mr C, mainly to ask for a copy of the sales invoice – which Mr C said he no longer had but had provided a receipt.

In August 2023, Barclaycard requested that Mr C obtain an independent inspection report on the quality of the bike. It said it would cover the costs of this report up to £200 and confirmed what the report would need to include. Mr C raised concerns about the necessity of obtaining a report which Barclaycard responded to. Mr C raised further points and it is unclear whether Barclaycard responded directly to these. However, by January 2024, it made its position clear on these issues when it sent Mr C a final response letter explaining why it could not consider refunding him under section 75 without a report supporting Mr C's position.

Our investigator didn't recommend the complaint be upheld. She concluded that Barclaycard hadn't acted unreasonably in not providing a refund under section 75.

Mr C didn't agree. In summary, he said Barclaycard's actions in administering the section 75 claim were not appropriately considered and that the investigator had avoided criticising Barclaycard for the poor way it had handled things.

The complaint has been passed to me 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.

I can see that Mr C feels very strongly about the way Barclaycard handled his section 75 claim. He has provided detailed explanations and timelines of what has happened both before and during Barclaycard's involvement. While he has raised a number of specific points about its conduct, I won't be addressing each and every issue in this decision.

No discourtesy is intended by this, it simply reflects the informal nature of our service and approach to resolving disputes. I want to assure Mr C that I have read and considered everything he has provided, and these have all formed part of my thinking when deciding what is fair and reasonable overall in all the circumstances of this complaint. However, the decision will focus only on what I consider to be the key issues to this complaint.

Mr C's complaint appears to be two-fold. He believes Barclaycard has acted unfairly in not refunding him under section 75 or giving him a final answer to his claim, but also that Barclaycard handled the overall claim poorly. In summary, he says it caused numerous unnecessary delays, did not communicate clearly with him and didn't respond appropriately to many of his questions. I'll deal with both of these overarching issues in turn.

Did Barclaycard act fairly in not providing a refund?

The general effect of section 75 is that if Mr C has a claim for breach of contract or misrepresentation against the retailer he purchased goods from, he can bring a like claim against Barclaycard (as the provider of credit for that purchase). There are other requirements that also need to be met for a claim to be made. For completeness, I'm satisfied those are met here.

Mr C says the bike is not of satisfactory quality and that it was not supplied as new as he was led to believe. Conversely, the manufacturer of the bike who has assessed its condition concluded that it was supplied new and was of satisfactory quality. Given these differing opinions and that understandably Barclaycard are not experts in bikes, it needed further evidence to support Mr C's claim for a refund. I don't find its request for an inspection report from an independent expert to be unreasonable (I'll deal with the delay in this request later in this decision).

I note Mr C had a number of concerns about being able to obtain a report that would be truly independent. Barclaycard attempted to allay those concerns and I think its explanation was appropriate. Given that it also agreed to cover the costs of the report up to a value of £200, it did enough to support Mr C in obtaining further evidence for his claim.

Mr C appears to have sought further support from Barclaycard by way of recommendations as to where to obtain a report from. But it isn't for Barclaycard to make Mr C's claim for him or coach him as to how best to make it. After all, Mr C was making a claim against Barclaycard. However, as the expert in these types of claims I would at least expect Barclaycard to explain what was required and why, which it did eventually do.

As Mr C has chosen not to provide further evidence on the condition of the bike from an independent source, I can't reasonably conclude that Barclaycard acted unfairly in not refunding the purchase. As it stands, I don't think it had enough persuasive evidence to indicate there had been a breach of contract by the retailer. For this reason, I don't think it currently needs to do anything more in relation to the claim itself.

While Mr C says that Barclaycard hasn't provided a final answer to his claim, I don't think this has disadvantaged Mr C in any material way. Barclaycard appears to still be willing to consider refunding him, if he provides the further evidence it has asked for and it supports

his claim.

Further, it also gave him a final response letter in January 2024, setting out why it couldn't take his claim any further. This letter gave him the opportunity to escalate his concerns to our service if he wished. I therefore think it gave him an appropriate answer given the circumstances, which set out his options clearly.

Did Barclaycard act fairly in the way it administered the claim?

Barclaycard appears to accept it could have administered the claim better. It has acknowledged as much by paying Mr C £75 compensation in recognition of the level of service it provided to him. I understand Mr C doesn't feel the £75 appropriately reflects the poor handling of the claim he says he experienced, nor does he feel Barclaycard took into consideration all the issues when making that award.

Having considered all the circumstances of this complaint in the round, I'm satisfied that the £75 compensation Barclaycard has paid is broadly fair. I say this because it is not significantly different to what I might have awarded had it not paid anything at all. I realise that will come as a disappointment to Mr C and I'll explain why I've reached that conclusion.

I agree with Mr C that Barclaycard should have suggested to him at a much earlier stage that he try to obtain an independent inspection report on the condition of the bike. This did inevitably delay the progress of the claim to some extent. However, I'm not persuaded it has had as significant an impact as Mr C says. This is because, to this day, Mr C has not obtained a report. So, I can't be satisfied that Barclaycard's failure to tell him about this requirement three months earlier has ultimately had any material impact on the outcome of his section 75 claim.

I appreciate Mr C had some concerns about getting an independent inspection completed and explained these to Barclaycard. But I'm satisfied Barclaycard explained its position on the need for a report, how Mr C might obtain one and it even agreed to cover the costs of obtaining one up to £200. While some of the communications between Mr C and Barclaycard could have been much smoother and less protracted, I have to also take into consideration the steps Barclaycard did take to try and assist Mr C.

Mr C may not feel that Barclaycard were trying to assist him, however, my view of the evidence presented to me from both parties leads me to conclude that although Barclaycard could have done things better (by responding more appropriately and more promptly), it did try to assist Mr C with his claim. In addition to offering to cover the costs of an inspection, I note at one stage it offered him £700 which it had calculated to be the costs of repairing rust on the frame of the bike. However, I understand Mr C turned this down as he wanted a full refund and no longer wanted the bike.

I appreciate there was some confusion around the £700 offer, including its later removal by Barclaycard, but ultimately I'm satisfied Barclaycard did make attempts to try and progress the claim and assist Mr C – albeit more slowly than was reasonable. For all these reasons, I'm satisfied £75 compensation is a fair way for Barclaycard to put right the poor service it provided during the claim and I don't think it needs to do anything more.

My final decision

For the reason given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 December 2024.

Tero Hiltunen
Ombudsman