

## **The complaint**

Mr B is unhappy with Tesco Personal Finance PLC trading as Tesco Bank's ("Tesco") response to a claim he made under s.75 Consumer Credit Act 1974.

## **What happened**

In 2022 Mr B bought a return flight to Canada via a travel agent I'll call T. He paid £493 using his Tesco credit card. The flight was due to depart on 6 September 2022.

Mr B said one of the people he'd intended to visit fell ill with Covid-19 shortly before his date of departure. He said as a result he asked T to rebook the flight for the following week. Mr B paid another £285 to T for the new flight which he said was a rebooking cost.

Mr B then fell ill himself with Covid-19 and was unable to travel on the new departure date.

He said he spoke with both T and the airline and was told he could receive a voucher to the value of his original booking (but not the second) for future use. He said he was told this could be used 'without penalty'.

When Mr B tried to book new flights via T using his voucher he said the price had increased by more than the value of the voucher. So, he said it would have cost him in the region of £500-£700 for the same flight even with the voucher applied. He said this was despite the cost of the flights originally showing on T's website as broadly the same value as his voucher.

Mr B said he spoke to T and was told its "ticket changer" automatically repriced the tickets. He asked for either a fair ticket price where his voucher was properly considered or a refund of his booking. Mr B said T didn't get back to him after this.

Mr B then asked Tesco to help him get his money back. Tesco considered its liability to Mr B under s.75 Consumer Credit Act 1974 ("s.75") but said it couldn't help Mr B. It said there had been no breach of contract or misrepresentation by T, so it was not liable to him for the cost of the ticket.

Dissatisfied Mr B referred his complaint to this service.

I issued a provisional decision in April 2024 explaining why I didn't intend to uphold Mr B's complaint.

I said, in summary:

- There were two main ways Tesco could have helped Mr B. By raising a chargeback or by meeting his claim under s.75.
- Under s.75 Mr B was able to claim against Tesco in certain circumstances for a breach of contract or misrepresentation by T.
- When Mr B bought his flights from T, he entered into two contracts. One, with T, to (very broadly speaking) make a booking with the airline and facilitate certain actions

in respect of that booking. And another contract with the airline in respect of his carriage on the flight (known as the conditions of carriage).

- As Mr B paid T using his Tesco credit card, it was his contract with T that was the relevant transaction to which his claim against Tesco under s.75 related. This meant that for me to say that Tesco ought reasonably have met Mr B's s.75 claim, I'd need to conclude that T breached or misrepresented the contract it had with him.
- T's contract with Mr B set out that in the event he wished to make an amendment to his flight or wished to cancel it, he would need to contact T who would then pass his request on to the airline. The request would be subject to the airline's terms and conditions relating to such events.
- T met its obligations in this respect as it passed on Mr B's requests for amendments or cancellation to the airline. And then when it became apparent that his requests could be met by the airline, it effected the appropriate arrangements – the rebooking of the flight in the first instance and the provision of future travel credit/voucher in the second.
- The airline's policy in respect of future travel credit/vouchers was that the customer would have to pay the difference if the flight was more expensive when it came to making a new booking.
- It didn't appear that Mr B had been unable to use the future travel credit/voucher but rather that the price he was being charged for a new booking had increased.
- Overall therefore, it didn't appear to me that T had breached its contract with Mr B. And any statements made about the voucher which Mr B said were untrue were made after he'd entered into his contract with T, so I didn't think they were capable of being a misrepresentation.
- Accordingly, I didn't think Tesco had unreasonably declined to meet Mr B's s.75 claim.
- It was unlikely a chargeback would have succeeded as Mr B wouldn't have been able to evidence that he was due a full refund where he was unable to make his flight

Mr B did not agree with my provisional decision. The complaint has therefore returned 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've thought about everything Mr B has said in response to my provisional decision. I do completely understand his frustration and disappointment with the situation. I also accept that Mr B was acting responsibly and in accordance with relevant travel rules and guidance when he made the changes to his flights.

That being said, and given Mr B's complaint, I can only reasonably ask Tesco to refund him if I think it should have met his s.75 claim or if it didn't raise a chargeback in circumstances where one would likely have succeeded. I've not seen anything in response to my provisional decision that persuades me T didn't do what it was supposed to under the contract in the circumstances. I still think Mr B's dispute ultimately comes down to the price T was seeking to charge for new flights and I haven't seen evidence that leads me to conclude T breached its contract with Mr B.

Mr B has pointed to the fact that T did not engage with Tesco when he made his claim and he questions how it could have carried out a full investigation without T's input. I have considered this, but I don't think it means Tesco was wrong to assess his claim without it or that it should have met Mr B's claim given all of the other evidence that would have been

available to it – such as T's and the airline's terms and conditions.

Overall therefore, I still find that Tesco did not treat Mr B unfairly by declining to meet his s.75 claim or by not raising a chargeback.

### **My final decision**

For the reasons I have explained, I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 June 2024.

Michael Ball  
**Ombudsman**