

The complaint

Mr T complains that Nationwide Building Society didn't fairly deal with a claim he made under Section 75 (S75) of the Consumer Credit Act 1974 (the 'CCA') in relation to a purchase he made with a supplier.

What happened

Our investigator has outlined Mr T's complaint in detail so I will summarise here.

Mr T purchased a lifetime subscription for financial information from a supplier, L, in May 2020 using his Nationwide credit card. The subscription cost \$4,500. The subscription included content from two writers, D and B which Mr T was specifically interested in, and were the motivation for his subscription, as well as some other content and reports he chose as part of the subscription. Mr T said in December 2021 the newsletters by D and B were stopped and were replaced by other contributors which Mr T felt were inferior. Sometime later other content was changed. Mr T contacted L for a refund and was denied. So he raised a dispute with Nationwide.

In its final response Nationwide didn't uphold Mr T's complaint. It said it hadn't done anything wrong when it denied Mr T's claim under Section 75 of the Consumer Credit Act 1974. But it did apologise for the length of time it took to respond to Mr T's claim and paid him £125 in compensation for this.

Mr T brought his complaint to this service. He said Nationwide had relied on unreasonable terms within L's terms and conditions and he had been defrauded by L. Mr T said he'd expect a lifetime subscription would normally be at least ten years.

Our investigator concluded that Nationwide hadn't acted unfairly when it dealt with Mr T's claim, but he did agree that £125 compensation for the time taken to deal with it was fair and reasonable. Mr T didn't agree and asked for a decision from 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.

Firstly I'm very sorry to hear that Mr T has been through a difficult period with some family health problems. So I realise this will come as a disappointment to him, but I agree with the conclusions reached by the investigator for the reasons I've outlined below.

In deciding what I believe to be fair and reasonable in all the circumstances, I'm required to consider relevant law, rules, guidance, codes of practice as well as what I consider to have been good industry practice at the time.

Section 75

S75 of the CCA is relevant here. It protects consumers who buy goods and services on credit. It says, in certain circumstances, the finance provider is legally answerable for any

misrepresentation or breach of contract by the supplier. To be able to uphold Mr T's complaint about Nationwide, I must be satisfied there's been a breach of contract or misrepresentation by L, and that Nationwide's response to Mr T's claim under S75 wasn't fair or reasonable. But I'm not determining the outcome of Mr T's claim under S75 as that is for a court to decide.

I'm satisfied there is a debtor-creditor-supplier relationship in place.

Breach of contract

Having reviewed the evidence I'm not persuaded Nationwide acted unfairly when it declined the claim for breach of contract. I say this because:

- For a valid claim to be made, Nationwide would need to have enough evidence to show that there had been a breach of contract.
- Mr T purchased a subscription to a service from L which allowed him to subscribe to several publications from various authors and sources. He specifically signed up to the subscription because of two specific authors. After 18 months these two authors' works were no longer available to L, or through the subscription. I've read the terms and conditions provided by Mr T to Nationwide and I've also read them on the L website. The terms clearly say L reserves the right to change, modify or discontinue content including adding or removing particular contributors.
- While I understand why Mr T is unhappy that L changed the content I'm persuaded it acted within its own terms and conditions. I'm satisfied Mr T still had full access to his subscription and a menu of other contributors.
- Mr T has said Nationwide had relied on unreasonable terms within L's terms and conditions. I understand Mr T's frustration here, but it wouldn't be fair or reasonable for me to hold Nationwide responsible for L's terms and conditions. I'm only concerned with whether Nationwide has acted fairly.

Misrepresentation

A misrepresentation is an untrue statement of fact made by the supplier that induces a consumer into entering a contract. Mr T appeared very satisfied with his subscription for more than a year as he had access to the contributors which motivated his subscribing. So I'm satisfied the service wasn't misrepresented.

So it follows that I'm not persuaded Nationwide has treated Mr T unfairly when it dealt with his Section 75 claim.

Chargeback

Nationwide had two possible routes for obtaining a refund for Mr T, the other method was by Chargeback.

Chargeback is a transaction reversal made to dispute card transaction and obtain a refund if there is a problem with the product. It's important to say that Chargeback is not a legal right, there is no automatic right to it, nor is it a guaranteed method of getting a refund.

Chargeback is managed by a set of rules set by the card issuer. In this particular case the card issuer requires claims to be raised within 120 days of the payment. Mr T bought his subscription in May 2020, the service changed in December 2021 and he raised the complaint with Nationwide in May 2023. I do understand the difficult personal reasons which

contributed to the delay in Mr T raising a complaint but there is no allowance for this in the card issuer's rules. So I'm satisfied Nationwide hasn't acted unfairly by not raising a Chargeback claim.

Claim handling

Nationwide has accepted it could have handled Mr T's claim quicker. It has said it had everything it needed by 22 June but didn't look at the complaint and issue a response until 18 December. I'm pleased that Nationwide has recognised this, and I consider £125 compensation to be fair and reasonable for the distress and inconvenience, and is what I would expect in the circumstances.

We are an informal dispute resolution service so if Mr W chooses not to accept my decision, he is of course free to pursue his complaint through the courts, though this will come with additional cost and risk

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 November 2024.

Maxine Sutton
Ombudsman