

The complaint

Mr G complains that Bank of Scotland plc won't refund money he paid to a builders' merchant when a dispute arose, or otherwise compensate him. The bank trades in this case under its Halifax brand.

What happened

Mr G engaged a builder to complete an extension to his home. The building work included the fitting of new doors and windows. The builder ordered the doors and windows from a builders' merchant and Mr G paid the merchant £4,070 using his Halifax credit card.

Mr G says that the builder then collected a further £3,730 from him in cash. He believes these cash payments were, in effect, duplicate payments and that he therefore paid too much for the doors and windows. He believes that the builders' merchant was instrumental in that.

Mr G says too that some of the windows were supplied with clear glass, instead of the obscure glass which he had requested. He had to replace them at a cost of nearly £400.

The builders' merchant said that it had supplied what had been ordered. It was not willing to provide paperwork in support of its position, however, since its dealings had been with the builder, not with Mr G.

Mr G therefore approached Halifax for a refund. It said however that there were no grounds for refunding the payment made to the builders' merchant. When Mr G referred the matter to this service, our investigator was broadly in agreement with Halifax. Mr G therefore asked that an ombudsman review the case.

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.

One effect of section 75 is that, subject to certain conditions, an individual who uses a credit card to pay for goods or services and who has a claim for breach of contract or misrepresentation against the supplier of those goods or services has a like claim against the credit card provider.

In this case the builders' merchant dealt with the builder, who specified the materials needed. But Mr G made the card payment. The builders' merchant appears to suggest that those arrangements meant that its contract was with the builder. I think however that it's arguable at least that the contract was with Mr G and that the builder was acting as his agent. I have in any event approached this complaint on that basis and have considered the builders' merchant's actions.

As I have indicated, there is little paperwork available. However, it seems clear that Mr G agreed a price for the supply of doors and windows from the builders' merchant (no doubt

through the builder) and that he received the doors and windows that were ordered on his behalf.

It's possible of course that the builder did, as Mr G alleges, take additional payments in cash. And it's possible too that, in doing so, he either broke his contract with Mr G or overcharged him. But, even if that were so, it doesn't seem to me that that could give rise to a claim against the builders' merchant, and still less against Halifax. That is a matter between Mr G and the builder, with whom the bank had no connection.

I have considered too Mr G's claim that the wrong glass was fitted in some windows. Unfortunately, without knowing what was ordered, I am not in a position to comment on this aspect of Mr G's claim. If, as the builders' merchant appears to say, the builder ordered clear glass on Mr G's behalf, it does not appear to me that there was any breach of the contract between Mr G and the merchant. There may have been a breach of Mr G's contract with the builder, but that could not give rise to any liability on the part of Halifax. There is however no evidence of what was ordered and, therefore, no evidence that something different was supplied.

In the circumstances, I am not persuaded that there is sufficient evidence of a breach of contract on the part of the builders' merchant. It follows in my view that it was reasonable of Halifax to decline to meet Mr G's claim.

My final decision

For these reasons, my final decision is that I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 March 2025.

Mike Ingram
Ombudsman