

The complaint

Mrs R complains about a claim she made to Barclays Bank UK PLC trading as Barclaycard (Barclaycard) in respect of a faulty car.

What happened

Mrs R made a payment of £4,957.60 toward a car using her Barclaycard credit card. She bought this car from an online website which specialises in used and salvage car auctions, who I'll call A.

Mrs R states she collected the vehicle and drove 89 miles before the vehicle broke down. Mrs R raised her concerns both to A and Barclaycard. She said the car was not as described and there has been a breach of contract under Section 75 of the Consumer Credit Act 1974 (Section 75).

Mrs R also raised concerns that the same vehicle had been sold at auction previously with a more accurate description of the damage, the vehicle had previously been a private hire taxi which had not been disclosed, the previous MOT had been done by the same umbrella group of companies and there were issues with the mileage, the information about the previous owner had been blocked out on the logbook, and the trip counter was not moving from the time she left the auction. Overall Mrs R had various concerns about the vehicle history and its condition which she felt had not been adequately disclosed before she bid for and purchased the car.

A informed Mrs R that its descriptions are based on a visual inspection only and the responsibility lies with the customer to investigate the lot to their satisfaction prior to purchase. Barclaycard said as the purchase was made through a car auction who are a third-party provider, the purchase was not covered under Section 75 so it could not assist further. Barclaycard did attempt a chargeback dispute, but this was defended by A. Barclaycard paid Mrs R £100 for delays in progressing her claim and pursuing a chargeback when there were no reasonable prospects of such a claim succeeding.

Mrs R brought her complaint to our service. She was asking for £3,000 to repair the vehicle or for the ability to return the vehicle and receive a refund. Our investigator agreed that Barclaycard had not done anything wrong as A was not the seller of the car, so the correct relationship was not in place for a successful claim under Section 75. Within its file, Barclaycard had offered a further £200 and our investigator found the £300 offered for the poor service provided was fair.

Mrs R asked for a final decision to be issued by an ombudsman, so the complaint has now been passed to me to decide.

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.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. I don't expect them to raise a claim if there is little prospect of success.

In this particular case, Barclaycard raised a chargeback and this was defended by the merchant. Barclaycard then made further representations under the second stage of the chargeback process and this was not successful as it continued to be defended by the merchant. Having reviewed all the information available, I think Barclaycard pursued the chargeback for longer than I would expect based on its prospects of success so I don't think it failed to treat Mrs R in a fair and reasonable way in relation to the chargeback.

Section 75 of the CCA allows – in certain circumstances - for a creditor (Barclaycard) to be jointly and severally liable for any claim by the debtor (Mrs R) of breach of contract or misrepresentation made by a supplier of goods and/or services. One of the requirements of Section 75 is that there must be a debtor-creditor-supplier relationship. Put simply, this means there must be direct links between the debtor, the creditor and the supplier.

A makes clear on its website that it sells vehicles on behalf of third-party sellers but that it may also on occasion, be the seller. I can see from the invoice that for this sale, A was the seller. I can also see that Mrs S paid A a fee for its services. So, I do think there is a DCS relationship between Mrs R, Barclaycard and A and the conditions of making a claim under Section 75 have been met. I have therefore looked at A's terms and conditions to determine whether there was any breach of contract or misrepresentation that Barclaycard could be held liable for.

Mrs R's main concern was that the vehicle was not as described and therefore had been misrepresented. The vehicle was listed as "runs and drives" under the category "run condition" on the auction listing. A's terms and conditions state:

"All lots we offer for sale are sold "as is where is"... It is your sole responsibility to ascertain, confirm, research, inspect and/or investigate to your satisfaction the lots we offer for sale and any and all lot information prior to deciding whether and how much you wish to bid on any lot."

The terms further state:

"You agree that all lots are sold "as is, where is" and are not represented to be in a roadworthy condition, mechanically sound or maintained at any level of quality whatsoever or that they may be repaired. The lots may not be fit for purpose as a means of transportation or for any other purpose and may require substantial repairs at your expense. The lots may not be of satisfactory quality, taking into account all considerations, including without limitation the price you pay for any lot we offer for sale."

A clearly identifies itself as a business that sells used, recovered stolen, accident-damaged and/or insurance write-off vehicles. As per the terms above, it does not make any guarantees as to the condition of the vehicle and puts the onus on prospective buyers to ascertain the condition of vehicles themselves before making a bid. The car in question here was described as "runs and drives" and Mrs R tells us this was inaccurate. Mrs R managed to drive it 89 miles before it stopped working and so I don't agree that the description was misleading and instead, find it was an accurate description based on the limited checks A does prior to auctioning the cars on its website. I can therefore find no basis to agree that the vehicle was misrepresented or that her contract was breached, and so, for different reasons,

I find that Barclaycard has treated Mrs R fairly in declining her claim.

I appreciate Mrs R had other concerns about the history and condition of the car. I have considered what she has said but I don't think they make any difference to the outcome. A was not obligated to provide more of the history of the vehicle on its listing than it did, and any additional faults fall under the same exemptions in the terms quoted above. So these concerns do not change my opinion that Barclaycard has fairly declined the claim.

Barclaycard accepts that it could have progressed matters more quickly and provided a fuller response to Mrs R. It continued to pursue a chargeback which had no prospects of success and delayed issuing her with a response on the Section 75 dispute. Barclaycard has already paid Mrs R £100 and offered a further £200 to put things right for her. In the circumstances, I think this is a fair amount.

My final decision

For the above reasons, I partially uphold this complaint. I do not uphold the element of the complaint relating to the dispute concerning the car, however I agree that Barclaycard should compensate Mrs R by paying her a total of £300 (less that which has already been paid) for errors made during the handling of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 15 May 2025.

Vanisha Patel
Ombudsman