

The complaint

Mr B complains that Tesco Personal Finance Limited trading as Tesco Bank (“Tesco”) won’t refund him the cost of airport parking he paid for with his credit card.

What happened

On 9 June 2024, Mr B booked a parking space at an airport. He paid £56.53 for this using his Tesco credit card. The booking was from 8 to 10 July 2024.

Unfortunately, Mr B’s flight was cancelled by the airline at the time of departure, which meant he wasn’t able to use the parking space for the booked period. Mr B asked a representative at the airport’s parking desk for help, but they didn’t give him a refund.

Mr B then asked Tesco to consider refunding him the money. They said Mr B wasn’t able to make a claim under Section 75 of the Consumer Credit Act 1974 (“Section 75”) as the necessary financial limits weren’t met. And Tesco said they wouldn’t raise a chargeback as the parking service had been made available and hadn’t been cancelled. Mr B complained to Tesco, but they didn’t change their mind.

Mr B then referred his complaint to our service. Our investigator felt that Tesco hadn’t acted unreasonably or unfairly in how they had considered Mr B’s claim for a refund. Mr B didn’t agree and said that the parking cost was linked to his flight cost and so met the financial threshold for a Section 75 claim. Mr B also said that Tesco had acted unfairly by not simply giving him the chance to reclaim his money through raising a chargeback. And Mr B said the airport’s terms and conditions were unfair as it didn’t allow him to cancel the parking space booking when something unforeseen had occurred in this instance which he had no control over.

As the matter remains unresolved, Mr B’s complaint has been passed to me for a 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.

Where a consumer raises a dispute about a transaction made on a credit card, the bank will typically consider this under two avenues – chargeback and Section 75.

Chargeback

A chargeback claim isn’t a legal right or a guaranteed way of getting a refund. The rules are set out by the particular card scheme. There wasn’t a requirement for Tesco to raise a chargeback for Mr B, but if there was a reasonable prospect of achieving a successful outcome, I’d consider it good practice for them to have done so.

Tesco said they didn’t raise a chargeback because the parking service was available and hadn’t been cancelled. And because the airport’s terms and conditions set out that Mr B wasn’t entitled to a refund. So, there was no prospect the chargeback would have been

successful. I've considered therefore whether Mr B lost out as a result of this.

Mr B says he asked a representative at the airport for a refund, but they didn't agree to this. I've looked at the airport's terms and condition on their website which set out that a refund wouldn't be granted if a customer didn't cancel the booking '*before the start of the Booking Period*', which here means 8 July 2024. The booking date had already started before Mr B was told by the airline that his flight was cancelled however, so the terms didn't allow for a refund as a result. And the airport had already told Mr B that they wouldn't refund him. So, I'm not persuaded that, had Tesco pursued a chargeback, the airport would have agreed to a refund. I think it likely it would have pointed to its terms and conditions and why a refund wasn't due in these circumstances. And had such a chargeback gone to the end of the process, I think it unlikely it would have succeeded for the same reasons. So, I'm not persuaded that Mr B has lost out because of this. I don't think therefore that Tesco acted unreasonably or unfairly by not raising a chargeback.

Section 75

Tesco also considered whether Mr B could claim under Section 75. This sets out in certain circumstances that the credit card issuer can be held jointly liable if there's been a breach of contract or misrepresentation of the goods or services by the supplier.

However, there are certain necessary criteria that need to be met for a claim to be considered. Subsection (3)(b) of Section 75 contains the relevant exception: "*[Section 75 protection] does not apply to a claim— ... (b) so far as the claim relates to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000...*"

This means Section 75 protection will not apply to any "single item" to which the supplier has attached a cash price of £100 or under, or more than £30,000.

The cash price of the parking booking was under £100. Mr B essentially contends however that we should consider the flight cost and the parking booking cost as a single item as the reason for making the parking booking only arose because he was taking the flight, and so both things were inextricably linked.

Identifying the "single item" is often straightforward and it will sometimes happen to be the amount which was charged to the credit card. For purchases of things which could be individually-priced but have been bought in a larger quantity at an inclusive price (potentially at a bulk discount), the "single item" will often be the purchase as a whole. But it depends on the nature of the thing being purchased, and how it is presented for sale.

Here, I'm not persuaded that the flight and the parking were a 'single item'. Both of these things were subject to separate contracts with separate suppliers (i.e. the airline and the airport). And someone booking a flight won't always need to park their car at the airport, so I consider there to be enough separation between the two contracts to operate individually and therefore separately.

I realise that Mr B only booked a parking space because he had booked a flight. But that doesn't in my view mean that he purchased a single item here. And, for the reasons I've given, I don't think that he did. So, I don't find that Tesco acted unreasonably in saying that Mr B's claim didn't meet the necessary financial threshold for making a section 75 claim.

Unfair contract terms

Mr B complains that the airport's terms are unfair because it created a significant imbalance between himself and them by adhering to a strict enforcement of a non-refundable fee despite the flight cancellation being outside of his control.

However, Mr B's complaint has been brought against Tesco. The terms which Mr B believes to be unfair are terms of the airport. So, I can't reasonably hold Tesco responsible for the contract terms of a third party. I'd add also that there is nothing within the chargeback rules relating to unfair terms, and because Mr B's Section 75 claim couldn't be considered, he can't hold them equally liable for the supplier's actions. In any event that would only have been limited to a breach of contract or misrepresentation claim which wasn't applicable here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 May 2025.

Daniel Picken
Ombudsman