

The complaint

Miss W complains about a claim she made to Barclays Bank UK PLC (Barclays) in respect of flights she booked.

What happened

On 22 May 2024, Miss W booked flights to Australia through a company I'll call F. Miss W says she called F to ensure the flights were available and once she received this confirmation she booked them online. The flights were to take place in March/April 2025. She used her Barclays credit card to pay a total of £1,535.25 and this cost included both the outbound and inbound flights for two passengers.

Miss W states that on 23 May 2024, she received contact from F who informed her that the inbound flight was no longer available. She asked to cancel but was informed that as she had booked economy flights, this was not possible. Miss W ended up paying £780 more to book alternative flights with a different carrier.

Soon after this booking was completed, Miss W contacted Barclays to raise concerns. She thought she had been scammed as she said she hadn't received her e-tickets as promised. Miss W was also concerned that the flights had no luggage allowance, the flights were not flexible, she would not be able to deal with the airline directly, and if they were not direct flights – all of which she states she had been promised by F. Barclays advised her to raise a payment dispute.

Barclays reviewed the dispute and said it didn't think it could raise a successful chargeback dispute or that there was a valid claim under section 75 of the Consumer Credit Act 1974 (section 75 CCA). This was because the services were due on a future date and in the absence of any evidence to suggest the services would not take place or that they had been cancelled, Barclays could not assist.

Miss W brought her complaint to our service. Our investigator said a chargeback would have been unlikely to be successful as the VISA scheme requires evidence to show the expected services were not rendered by the expected date/time and as the date for the flights hadn't passed yet, this was not possible. For section 75 our investigator raised concerns about the debtor-credit-supplier link but said ultimately a claim under section 75 would have been unlikely to be successful in any event.

Miss W remained unhappy and asked for an ombudsman to issue a final decision. So, the complaint has 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.

Miss W is represented by her mother on this complaint. For ease, I have referred to all representations made by her mother as having been received from Miss W.

Chargeback

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. We don't expect them to raise a claim if there is little prospect of success.

Miss W was concerned the flights would not be going ahead as expected as she did not receive her e-tickets. The chargeback code relevant to a dispute such as this would be Goods and Services Not Received. As our investigator explained, it would be unlikely that Miss W would be able to provide the evidence necessary to prove that the flight was not going to go ahead before the date that it was supposed to take place. The information suggested she had received booking confirmation, and e-tickets were attached. So, I don't think Barclays did anything wrong in not proceeding to process a chargeback based on the information it had at that time.

Miss W had further concerns about the some of services not being as described. This would be a different chargeback code and I have considered whether it would have had any prospects of success. The information I have suggests that one standard piece of 30kg luggage is included per person, the flights were flexible, that contact needs to be made through the agent (so through F), and that the flight is indirect. The indirect flight and not being able to liaise directly with the airline are concerns, however there is not currently enough evidence to show that this was promised to Miss W. I find it unlikely that the information concerning an indirect flight was not disclosed prior to payment having been taken as an agent would usually confirm flight details before making a booking. And so, based on the information available, I find this claim had little prospect of success and therefore it was not unreasonable for Barclays to not pursue it at the time.

I understand Miss W has recently contacted us to say the flights have now been cancelled. If she is able to supply appropriate confirmation of the same to Barclays, it may be able to pursue a chargeback claim based on this new information, subject to any relevant time limits in pursuing a chargeback claim.

Section 75

Section 75 allows – in certain circumstances – for a creditor (Barclays) to be jointly and severally liable for any claim by the debtor (Miss W) of breach of contract or misrepresentation made by a supplier of goods and/or services (F). Although this affords some form of protection for purchases made on credit cards, it only applies if there is a debtor-creditor-supplier (DCS) agreement between the parties.

A DCS agreement is defined in section 12(b) of the CCA as follows:

“a restricted use credit agreement which falls within section 11(1)(b) and is made by the creditor under pre-existing arrangements, or in contemplation of future arrangements, between himself and the supplier...”

Section 11(1)(b) of the CCA states that a restricted use credit agreement is a regulated consumer credit agreement:

“to finance a transaction between the debtor and a person (the supplier) other than a creditor”

Put simply, a debtor uses a creditor to pay a supplier who provides the goods or services. This arrangement is required for a valid claim to be made under section 75.

In this particular case, Miss W purchased both the initial and replacement flights from F using her Barclays credit card. On her statements, payment has gone to another company who I'll call C. Both F and C are merchants in the travel services industry. However, in payment having gone to C rather than to F, the DCS link is broken and one of the necessary criteria for Miss W to claim against Barclays under section 75 is not in place.

There are some exceptions to this general rule. One exception is if F and C can be considered to be associates as per section 184 and 187 of the CCA, thus establishing the necessary DCS agreement. However, I can find no meaningful links between F and C to suggest that they are indeed associates and so my opinion remains the same in that there is no valid DCS agreement and section 75 cannot be considered in these circumstances. Barclays declined the claim for different reasons, however as the result is the same, I do not find it did anything wrong.

I appreciate how disappointing this will be to Miss W, however without a valid DCS agreement, there is no requirement of me to consider whether there had been a breach of contract or misrepresentation of these flights, as a claim cannot be made under section 75 which would hold Barclays liable on behalf of F.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 11 April 2025.

Vanisha Patel
Ombudsman