

The complaint

Miss M complains that she was told by Vanquis Bank Limited that a payment she was intending to make would provide her with protection under section 75 of the Consumer Credit Act 1974 ("section 75"). The item was not delivered and so she says she has lost money as a result.

What happened

Miss M has a credit card account with Vanquis. She can use the card to make purchases from retailers who accept credit card payments, but also to make money transfers, which are then debited to her credit card account.

In July 2024 Miss M was considering making a purchase from Facebook Marketplace. Before she did so, she contacted Vanquis to discuss payment options. She says she asked whether, if she used her credit card to make a money transfer, she would be covered by section 75. She says she was told she would be covered and, in reliance on that advice, she made a transfer of £1,800 to the seller.

Miss M says the goods she paid for were not delivered. She therefore contacted Vanquis for a refund. It was able to recover only a small fraction of what Miss M had paid. And, because the payment had been made by money transfer, section 75 did not apply to the transaction.

Miss M referred the matter to this service, where one of our investigators considered what had happened. She did not however recommend that the complaint be upheld. She was not persuaded that Vanquis had told Miss M that she would have section 75 cover.

Miss M did not accept the investigator's assessment and 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.

One of those conditions is that the payment must be made under pre-existing arrangements (or in contemplation of future arrangements) between the credit card provider and the supplier. Where a card payment is made to a retailer that will usually be the case, because the retailer and the card issuer are linked through a card scheme (Visa, Mastercard or American Express).

In this case, however, the payment was not made in that manner. The seller did not take the payment through a card scheme, but by way of money transfer. There were no

arrangements which enabled the seller to take card payments from Vanquis. Instead, the payment was made by money transfer, in much the same way as a bank transfer from an overdrawn account would have been.

For the same reasons, it was not possible to use the chargeback process. The card payment was not made through a card scheme, but was a direct transfer which was then debited to Miss M's credit card account.

Miss M says however that she was told the payment would be covered by section 75. Like the investigator, I have considered carefully the bank's notes of the conversation she had at the time. I too am not persuaded that Miss M was told that section 75 would apply. She was told that, if goods weren't received, she would need to make a claim. There was no indication whether that might be successful – which would of course be determined by a number of different factors.

It is unfortunate that Vanquis has not been able to provide a recording of Miss M's call, but I have no reason to believe that its notes of what was said are inaccurate. They are the best available evidence, and they don't fully support Miss M's recollection of what was said.

If I were to reach a different view on that point, I would need to consider what Miss M would have done differently if she had not been told that section 75 would apply. She has suggested that she would not have gone ahead with the payment at all. I am not persuaded however that is the case. There does not appear to have been any way for Miss M to have obtained section 75 or chargeback protection, but Facebook Marketplace does offer a degree of purchase protection. In the circumstances, I think it likely that Miss M would have gone ahead with the purchase and that her position would have been very similar to what it is.

My final decision

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

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

Mike Ingram
Ombudsman