

The complaint

Mr O complains that Lloyds Bank PLC will not refund payments he made by credit card to a website providing online dating and other services. He believes he is entitled to a refund under section 75 of the Consumer Credit Act 1974 ("section 75").

What happened

Between the middle of 2017 and early 2020 Mr O made more than 300 credit card payments to a dating and entertainment website, which I'll refer to as "U". The payments were to buy credits which Mr O could then use to exchange messages with potential partners on the site. The payments which Mr O made ranged from around £5 to £250.

Mr O found out that some of the "people" he had exchanged messages with were not real. He considered therefore that he had been scammed and sought a refund from Lloyds. Lloyds said that Mr O had signed up to U's terms and conditions, had authorised the payments, and had continued to use the site for three years. It declined Mr O's request for a refund.

Mr O referred the matter to this service. An ombudsman issued a final decision on 1 February 2023. He did not uphold the complaint and said, in summary:

- There was little evidence that Mr O had been scammed.
- The website's terms and conditions said that it was for adult entertainment purposes and that it might use fictitious profiles.
- Mr O had exchanged messages using the website.
- The nature of the payments was not such that the bank had any duty to intervene.
- If Mr O could provide further evidence showing a breach of contract on the part of U, he might be able to bring a claim under section 75.

Mr O made a claim under section 75. Lloyds declined it. Mr O complained about the bank's decision. It paid him £150 in recognition of delays in dealing with the matter but did not change its conclusions about the section 75 claim.

Mr O referred the matter to this service, where one of our investigators considered what had happened. He did not, however, recommend that the complaint be upheld. Mr O did not accept the investigator's recommendation and asked that an ombudsman review the complaint.

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.

I should explain first that I have considered only the bank's handling of and conclusions about Mr O's section 75 claim. I have not considered, and make no comment on, Mr O's allegation that he was the victim of a scam or on his claim that he should be reimbursed by the bank for that reason. That's because those issues have already been dealt with in my colleague's final decision of 1 February 2023.

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 the conditions is that the claim cannot relate to an item to which the supplier (in this case, U) has attached a cash price which does not exceed £100 or of more than £30,000.

In my view, it was reasonable of Lloyds to conclude that it should not meet Mr O's section 75 claim. I make the following observations:

- Of the more than 300 payments made by Mr O, around 70 (totalling some £8,000) were for more than £100. It is arguable that the remainder could not therefore form the basis of a section 75 claim, since they were for less than £100. That does however depend on what exactly Mr O was buying with each payment and on U's pricing structure.
- Under the Limitation Act 1980 a claim for breach of contract or for misrepresentation cannot generally be brought more than six years after a cause of action has arisen. Some of the payments in this case were made more than six years before Mr O raised his section 75 claim with Lloyds. It's likely that any cause of action against U arose at around the time of the payments and that therefore some claims were already out of time when Mr O raised them.
- Be that as it may, I am not persuaded that Mr O has been able to show either a breach of contract or a misrepresentation on the part of U. To quote the earlier related decision:
"The terms and conditions of the website state that it is for adult entertainment purposes, and that they may use fictitious and self-created profiles where physical contact with a person will not be possible. Mr O has shown that he did exchange messages with several women in exchange for the payments he made, which suggest to me that he received the services he paid for. So, while I appreciate Mr O may have been disappointed to discover the women he was messaging may not have been real, I don't consider there to be enough evidence to suggest he has fallen victim to a scam."
For the same reason, I don't believe there's evidence here of a breach of contract or of a misrepresentation.

It is not for me to say whether Mr O does in fact have a claim against U. Nor is it for me to decide whether he has a claim against Lloyds under section 75. What I must do is decide what I consider to be a fair resolution of Mr O's complaint about the bank's decision to decline his claim. In the circumstances, however, I think it that Lloyds' response to the section 75 claim was reasonable.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 May 2025.

Mike Ingram
Ombudsman