

The complaint

Mr F complains about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest)'s decision not to uphold his dispute about the purchase of a car.

What happened

Mr F purchased a car in November 2023 from a merchant (who I'll refer to as 'C' throughout this decision) for £2,800.

Within a couple of days of the purchase Mr F says he took the car to a garage to obtain a health check; and was advised of a number of faults which needed repair, with an estimated cost of around £2,500.

Mr F contacted C to discuss returning the car and obtaining a refund. After several unsuccessful attempts to get a response from C, Mr F contacted NatWest as he'd used his NatWest Mastercard credit card to make the purchase.

NatWest raised a chargeback claim on Mr F's behalf which was defended by C. The dispute went to arbitration and Mastercard declined the claim. NatWest went on to consider the dispute as a Section 75 (S75) of the Consumer Credit Act 1974 (CCA) claim, but concluded there was no evidence of a breach of contract or misrepresentation. As such it didn't consider it was liable to refund Mr F under S75 of the CCA.

Mr F complained to NatWest about its decision, and it issued a final response letter in September 2024 not upholding the complaint. It said it had submitted a chargeback claim on Mr F's behalf and followed it through to arbitration, but that the dispute had ultimately been declined by Mastercard. It also considered it had acted reasonably by concluding there hadn't been a breach of contract or misrepresentation based on the available evidence, and therefore that it wasn't liable to refund Mr F under the S75 claim.

Unhappy with NatWest's response Mr F referred his complaint to our service for review.

One of our investigators reviewed Mr F's complaint and didn't uphold it. She considered NatWest had followed Mr F's dispute as far as it possibly could through the chargeback process to arbitration, but that it was bound by Mastercard's decision. She went on to review NatWest's liability under a S75 claim; but didn't consider the individual details of the dispute met the qualifying requirements in order for Mr F to raise a like claim under S75. However, in any event she set out that she considered NatWest had acted reasonably by concluding there was no evidence of a breach of contract or misrepresentation.

NatWest didn't respond to our investigator's view; Mr F replied and didn't agree. In summary, he maintained his arguments that the individual details of his dispute do meet the S75 qualifying requirements; and that he considers there is evidence of a breach of contract and misrepresentation.

Mr F asked for an ombudsman's review, 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.

The information in this case is well known to Mr F and NatWest; and I've seen our investigator set out the chargeback and S75 processes within their view. So, I don't intend to repeat this information here.

I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Mr F or NatWest by taking this approach, but this simply reflects the informal nature of our service.

I've set out below my findings under separate headings for ease.

A chargeback claim on Mr F's behalf

I've seen NatWest initially obtained details of the dispute from Mr F and raised a chargeback claim on his behalf.

This was defended by C through its bank, and NatWest obtained further information from Mr F to pursue the dispute further. It progressed the dispute through the Mastercard chargeback scheme to arbitration. As the card issuer in this process, NatWest is bound by Mastercard's rules and has no input into its decision at arbitration.

Ultimately Mastercard didn't uphold the dispute at arbitration. So, NatWest were unable to challenge the outcome or further pursue the complaint through the chargeback scheme.

I consider NatWest acted reasonably in its handling of Mr F's dispute through the chargeback process. I say this because it gathered information from Mr F at each stage to reasonably set out details of the dispute, and provide Mr F's comments for arbitration.

By taking the case to arbitration NatWest exhausted the full chargeback scheme process. Mastercard ultimately didn't uphold the claim in Mr F's favour. As I've set out above, NatWest can only present its customer's dispute to the card scheme, it has no authority in the outcome of a chargeback claim. So, I consider NatWest acted reasonably here.

A S75 claim

NatWest went on to consider Mr F's claim under S75 of the CCA.

After taking into account the available evidence NatWest concluded it wasn't liable to refund Mr F under S75 as it didn't consider there had been a breach of contract or misrepresentation.

I've carefully considered the details surrounding Mr F's dispute, and the qualifying criteria of a S75 claim for NatWest to be liable for a like claim.

In order for a creditor to be liable for a like claim under S75, there must be a debtor, creditor, supplier (DCS) agreement in place.

Having reviewed the evidence available to me, I'm in agreement with our investigator that there isn't a DCS agreement in place in the individual details of Mr F's dispute.

I say this because there needs to be an agreement in place between Mr F, (debtor), NatWest (creditor), and C (supplier).

The invoice and paperwork from C and the car registration document are all in Mr F's wife's name. This means the contract with C was made between it and Mr F's wife, not Mr F. While I acknowledge Mr F's comments that he paid C for the car (which isn't disputed), he doesn't appear on any of the paperwork relating to the car from C.

This means there was no contractual agreement between C and Mr F, and therefore there is no DCS agreement in place. As such I'm satisfied NatWest aren't liable for a like claim under S75 of the CCA; so, I've not gone on to consider the S75 claim further.

I acknowledge my decision will likely be disappointing for Mr F. But for the reasons set out above I haven't found NatWest has acted unreasonably when dealing with his dispute; so, it therefore follows I'm not directing it to take any further action in resolution of his complaint.

My final decision

My final decision is that I don't uphold Mr F's complaint about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 13 August 2025.

Richard Turner
Ombudsman