

## **The complaint**

Ms M complains that Barclays Bank UK PLC trading as Barclaycard (Barclays) didn't agree to refund her after she made a claim for incomplete renovation works.

## **What happened**

On 13 April 2023 Ms M and her partner accepted a quote from a company I'll call K for renovation works to their home. K's quote for the work was £111,240 to be paid in instalments, with 50% being paid upfront, 25% being paid halfway through the project, and the remaining 25% to be paid when the project was completed. On 26 May 2023 a £20,000 deposit was paid, and work began at the end of that month. Works were to be completed by September 2023, but this deadline was missed.

By December 2023 works were ongoing and there was an outstanding balance of £3,500 left to pay which K provided an invoice for on 23 December 2023. In January 2024 works stopped as K said they had cash flow issues. On 8 January 2024 Ms M contacted Barclays to raise a dispute for the following sums paid to K using her Barclays credit card.

- 27 June 2023 - £10,000
- 2 October 2023 - £2,800
- 11 November 2023 - £6,000

At the same time Ms M's architect attempted to mediate a solution and K returned to site in February 2024. However, Ms M says K left site again and there was no further communication with them after 13 March 2024. Ms M has told us K failed to complete all the agreed works and went out of business in June 2024.

Ms M has said this has left her and her partner over £20,000 out of pocket and so she has attempted to reclaim some of these losses through Barclays.

Barclays raised a chargeback, but K defended this. Barclays chose not to pursue it any further, saying there was a lack of evidence, and it didn't feel that arbitration would be successful. It also considered Ms M's claim under section 75 of the Consumer Credit Act 1974 (section 75) but explained the claim fell outside the financial limits of section 75 and so it couldn't help.

Unhappy with Barclays's response, Ms M referred the case to this service. One of our investigators considered the case and didn't think Barclays had acted unfairly.

Ms M didn't agree with our investigator's view, so her complaint has been passed to me for review and 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.

As Ms M made payment using her credit card, both the chargeback process and section 75 were available to Barclays when considering the claim. So, I've considered both here.

### *Chargeback claims*

Whilst chargeback provides an avenue for a bank to raise a dispute with a merchant where something has gone wrong, it doesn't cover all eventualities, it isn't a legal right and isn't guaranteed to get a customer a refund. But I'd consider it good practice for a credit provider to attempt a chargeback where the circumstances are appropriate and there was a reasonable prospect of success. Strict rules and timeframes apply to chargebacks. These are set out by the card scheme operator and can't be changed by the service or a credit provider.

I can see that Barclays attempted a chargeback in this case, but K defended the claim. I can see that Barclays did attempt to raise the disputes further with the merchants but without success. Ultimately Barclays has said it felt the case was complex and that it lacked evidence to demonstrate that K had either not provided the goods or services or that what they had provided was defective.

Whilst I can understand Ms M's frustration here, I must consider that it isn't clearly defined what the payments Ms M made using her Barclaycard were for - other than being payments towards the cost of the renovation. And there isn't a contract between K and Ms M to help us here either. As we can't be certain what the payments were for exactly, it's hard then to prove under the chargeback rules that the merchant failed to deliver the goods or service, or that the goods or service was defective.

Given this, I'm not persuaded that the chargeback would have had a reasonable prospect of success had Barclays continued to arbitration. So, I can't reasonably conclude that Barclays acted unfairly when it decided not to pursue the chargeback further.

### *Section 75 Claims*

Section 75 makes the provider of credit (Barclays in this case) equally liable where there is a case of misrepresentation or breach of contract by the supplier of goods or services financed by the credit. However, it will only apply when the criteria for a section 75 claim are met. Section 75 won't apply to any single item where the supplier has attached a cash price of £100 or less, or more than £30,000. In addition to this there needs to be a direct relationship between the debtor, creditor, and supplier otherwise known as a DCS agreement.

I can see that the accepted quote was in the name of Mr W. Given this, I've considered more closely whether the DCS agreement was intact. Having done so I'm persuaded that Ms M was party to the contract. I say this because it's clear that she paid K (in part) for the renovations to the home she bought with Mr W and was involved in the decision making for the project. Given this, I agree that the case meets this part of the criteria for a valid claim.

However, I must also consider the cash price and whether this meets the criteria for a Section 75 claim. Having considered the contract carefully, I can see the cash price quoted for the renovation is £111,240. So, I don't think it falls within the limits set for a successful Section 75 claim. I appreciate that Ms M isn't looking to recover this amount but I'm still of the opinion that the claim fails this test and I'll explain why.

I think the main issue here is what can be considered as a single item under Section 75. I can see the quote is itemised, and from the copies of communications provided, I understand some payments were made directly to tradespeople. But I don't agree these

should be considered as separate items. I say this because it's clear that all things listed under the quote were integral to the renovation works being carried out, which is what Ms M and Mr W had accepted the quote with K for. So, I think it's fair to conclude it's the renovation that constitutes the single item here.

As I'm satisfied the single item here is the renovation, this means it's the total price of the quote that's relevant here when considering the parameters of section 75. So, it follows that I'm satisfied the cash price for the single item (the renovation) exceeds the limit of £30,000 set out in Section 75.

In addition to this, whilst I can see Ms M has made payments directly to K, I can't see that any of these payments reflect the cost of a particular item under the quote, or that Ms M has provided evidence that the payments were for something in particular and that there was a breach of contract or misrepresentation in relation to that particular thing. This means even if I accepted that the claim did fall within the cash price limits of section 75 (which I don't), on the evidence available I don't think it has been shown that there was a breach of contract or misrepresentation that can be tied to the payment Ms M made using her Barclays credit card.

Although neither party has mentioned alternatives to Section 75, to ensure fairness, I have gone on to consider whether either Section 75A or Section 56 of the CCA would help Ms M in this case.

Whilst Section 75A allows for claims where the cash price of the goods or service exceeds £30,000. These goods or services must have been provided under a linked credit agreement – so a credit provided for a specific purpose and where the funds cannot be used for any other purpose. Ms M paid using her credit card and as Ms M can choose how to spend this credit, it wouldn't be classed as a linked credit agreement. So, I'm satisfied the criteria for a valid claim under Section 75A haven't been met.

Section 56 of CCA doesn't set out any financial limits but it is only concerned with claims of misrepresentation and doesn't apply where there has been a breach of contract. I've seen nothing here to say that K made any misrepresentations that induced Ms M and Mr W into entering a contract with them. The reason the claim has arisen is that K have ceased trading and are no longer able to complete the renovations. So, I'm satisfied Section 56 doesn't apply here.

I understand what a disappointment this must be to Ms M and I'm sorry that she has found herself in a situation where she is out of pocket and with work left to complete. However, I must decide whether I think Barclays has acted unfairly in its consideration of the claim. And on the evidence available I'm not persuaded Barclays has acted unfairly in this case.

### **My final decision**

My final decision is that I don't uphold Ms M's complaint about Barclays Bank UK PLC trading as Barclaycard for the reasons I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 26 September 2025.

Charlotte Roberts  
**Ombudsman**