

The complaint

Mr R complains about how National Westminster Bank Public Limited Company (NatWest) dealt with his claim for money back, in relation to a car bought on his credit card.

Mr R is represented in bringing this complaint by his daughter, for ease I'll refer to all interactions as being from Mr R.

What happened

Mr R bought a car for his granddaughter in December 2023, paying with his NatWest credit card.

Shortly after the purchase, Mr R says the car experienced problems, which they tried to resolve with the seller.

Unhappy with the response from the seller, Mr R raised a claim under Section 75 of the Consumer Credit Act 1974 with NatWest. NatWest considered Mr R's claim but didn't agree it was liable. It said as the car had been a gift for Mr R's granddaughter, this didn't create the required contractual relationships for Section 75 to apply.

Mr R complained, but NatWest maintained it had correctly considered his Section 75 claim. Alongside saying the relationship requirements hadn't been met, NatWest said there wasn't evidence to prove the problem was present at the time of buying the car.

Unhappy with NatWest's response, Mr R referred his concerns to our service. I issued my provisional findings in March 2025, in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Section 75

Having considered the evidence, I'm afraid there's little more I can helpfully add beyond what our Investigator has previously explained in relation to making a claim under Section 75.

Section 75 is a statutory protection which says, in certain circumstances, if Mr R paid for goods or services, in part or whole on his NatWest credit card, and there was a breach of contract or misrepresentation by the supplier, NatWest can be held liable. But there are conditions that need to be met for Section 75 to apply. One of these is that there needs to be a 'debtor-creditor-supplier' (DCS) agreement in place between the parties to the transaction.

Mr R had the credit relationship with NatWest because he used his credit card to pay for the car, so he was the 'debtor'. NatWest was the 'creditor'. The seller of the car was the 'supplier'. For there to be a valid DCS agreement, I would need to be satisfied that Mr R contracted with the seller.

However, I don't think Mr R was contracting with the seller. The paperwork, such as the sales invoice is in his granddaughter's name. So, the contractual position is clear, she was the client of the seller rather than Mr R. Therefore, I think NatWest's assessment that there isn't a DCS agreement in place is correct, meaning this condition hasn't been met, so as to make NatWest liable.

NatWest went further in its final response, to say that even if there was a DCS agreement in place, it doesn't think it would have been liable based on the evidence available. I haven't considered this point further, as the fact there isn't a DCS agreement, means it wouldn't be possible to make any claim under Section 75 for this purchase.

Mr R has questioned the fairness of the protection of Section 75, if it doesn't include cover because the purchase wasn't for him. While I note the outcome I've reached will likely be disappointing for Mr R, it isn't for me to question the fairness of any legislation. Rather my role is to decide whether NatWest fairly considered Mr R's claim against the relevant legislation, which for the reasons set out above, I'm satisfied it did.

Therefore, I don't think it was unreasonable for NatWest to say it wasn't liable under Section 75 as the requirements of a DCS agreement weren't in place.

Chargeback

Having established it wasn't liable under Section 75, I would also expect NatWest to consider whether there was any other means through which it may be able to assist Mr R and this includes the process of raising a chargeback.

A chargeback is a process of asking the merchant (seller of the car) for a refund, via the card scheme provider – Mastercard. There are strict rules set by the card scheme, including for what purposes a chargeback can be raised, and time limits on raising a dispute.

One of these is that a dispute about the quality of goods, must be raised within 120 days of the goods delivered. The car was purchased and collected on 22 December 2023. From the evidence available, Mr R first contacted NatWest about the problems with the car when submitting his Section 75 claim on 24 May 2024. So more than 120 days had passed.

As a result, I think it was reasonable that NatWest didn't explore whether Mr R might be able to raise a chargeback, as the time to do so had passed by the point he contacted NatWest.

Conclusion

In conclusion, while I appreciate this answer is likely to come as a disappointment to Mr R, I don't think NatWest has acted unfairly. I think it gave reasonable consideration to whether it was liable under Section 75, and for the reasons set out above I'm satisfied it wasn't. And I don't think it would have been possible for Mr R to submit a chargeback dispute, due to the amount of time that had passed.

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.

NatWest confirmed it accepted my provisional findings. I didn't receive a response from Mr R or his representative.

As a result, as I haven't received any further comments or evidence in response to my

provisional decision, I see no reason to change my conclusions. Therefore, for the reasons I've set out above, I don't think NatWest acted unreasonably in its handling of Mr R's request for a refund. The necessary relationships weren't in place, to make it liable under Section 75 and Mr R was out of time to raise a chargeback.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 May 2025.

Christopher Convery
Ombudsman