

The complaint

Ms F complains about the way in which Barclays Bank UK PLC dealt with her claim for a refund of university course fees. Because she paid those fees with a credit card, she says the bank should refund them. The bank trades in this case under its Barclaycard brand.

What happened

Ms F enrolled in a university course for a master's degree. The course was to run for two years and was described as part-time. Ms F paid the university's course fees of £2,400 using her Barclaycard.

Ms F was unhappy with some aspects of the course. Her dissatisfaction included, but was not limited to, the following matters:

- It was not possible to follow the course part-time.
- She did not receive the support she was entitled to receive.
- IT systems were often not working.
- The volume of work was too high.

Ms F complained to the university and took her concerns through its internal complaints process, including the review process. The university did not uphold her complaint. Amongst other things, it noted that Ms F had completed two of the modules; and it said that the course was intended to be challenging. The university said too that Ms F could refer her concerns to the (external) Office of the Independent Adjudicator. I understand that she has now done so, but that no outcome has yet been reached.

Ms F referred the matter to Barclaycard under section 75 of the Consumer Credit Act 1974 ("section 75"). Barclaycard was not persuaded however that the university had made misrepresentations or was in breach of its contract with Ms F. It therefore declined Ms F's claim. And it considered too whether it could properly submit a chargeback request, but took the view that there were no grounds on which to do so.

Ms F therefore referred her complaint to this service, where one of our investigators considered what had happened. She concluded however that Barclaycard had acted fairly in its consideration of Ms F's claim and did not recommend that Ms F's complaint be upheld. Ms F 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.

Chargeback

Where goods or services are paid for with a debit or credit card and a dispute arises, it is sometimes possible to resolve that dispute through the chargeback process. Chargeback is

a scheme run by the card schemes (in this case, Visa). A card issuer (here, Barclaycard) raises a claim through the scheme against the merchant's provider of card facilities. That provider will then consider whether the claim meets the relevant criteria for chargeback (if necessary, seeking evidence from the merchant) before responding to the claim. Where necessary, the scheme provides for arbitration between the financial businesses.

Chargeback is however primarily a scheme for resolving disputes about payment settlements – including, for example, where payments are not authorised or are duplicated, or where goods or services have been paid for but not delivered. It can therefore have the effect in some cases of resolving disputes between merchants and consumers, but it is not always an appropriate or effective mechanism for achieving that aim.

There is no legal or regulatory obligation on a card issuer to pursue a chargeback claim, but this service takes the view that they should do so where there is a reasonable prospect of success.

In this case, Barclaycard took the view that a chargeback request was unlikely to be successful, and so did not submit one. In my view, that was a reasonable view to take. The university had provided Ms F with the services she had paid for, and it had said that it would continue to do so. Ms F's concerns were with matters such as the quality and availability of support, and I agree with the bank that these are not matters which were appropriate for a chargeback claim in this case. I note too that the university had already considered Ms F's concerns through its own internal review, so it's likely it would have defended a chargeback robustly.

Section 75

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. The necessary relationships between Barclaycard, Ms F and the university are present in this case, and the transaction falls within the relevant financial parameters. I have therefore considered Ms F's dealings with the university.

I don't need to set out in detail Ms F's concerns about the course or the services which the university offered. They are familiar to the parties and were set out in, for example, the university's investigation report.

I have no doubt that Ms F genuinely feels that the services and facilities which the university provided were inadequate and that as a result she was unable to complete her course. And I note that the university considered Ms F's complaint at some length, but did not uphold it. Those matters are relevant in my consideration of Ms F's complaint about Barclaycard, but they are not determinative of it. What I must do is decide what in my opinion is a fair and reasonable outcome in the circumstances.

If Ms F were to bring a section 75 claim in court, she would need to show that she had a claim for breach of contract or misrepresentation against the university. I am not persuaded however that she has shown that. Even if the university had upheld her complaint (in full or in part), I think that her concerns fall short of being a breach of contract. It is in the nature of the provision of educational services that those services will be fairly loosely defined – if indeed they are defined at all. So, whilst I have considered very carefully everything that Ms F has said about the services provided, I think it was reasonable for Barclaycard to conclude that there was not enough evidence to support a claim under section 75.

It is not for me to say whether Ms F does in fact have a claim against the university. Nor is it for me to decide whether she has a claim against Barclaycard under section 75. What I must do is decide what I consider to be a fair resolution of the complaint about the bank's decision to decline the section 75 claim. In the circumstances, however, I think it was a reasonable decision, and I don't believe Barclaycard should have done any more to resolve Ms F's complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 10 July 2025.

Mike Ingram
Ombudsman