

## **The complaint**

Mr D complains about the way The Royal Bank of Scotland Plc handled a claim he made under Section 75 (S75) of the Consumer Credit Act 1974 (CCA).

## **What happened**

Mr D contacted RBS in January 2024 to raise a dispute about the services of a building company (who I've referred to as 'J' throughout this decision) which had failed to complete renovation works on a property.

Mr D had paid J around £3,000 by way of his RBS Mastercard credit card in September 2023, which was a deposit for services totalling around £12,000. Mr D had paid J further sums by way of weekly instalments.

RBS raised a chargeback claim for the value Mr D had paid J on his RBS credit card; but it failed to go on to look to dispute the full value of funds Mr D had paid J under a S75 claim until he contacted it again in May 2024.

RBS took details of the dispute to consider it as a S75 claim. It asked Mr D to again provide it with information he'd originally provided when raising the initial dispute in January 2024. RBS also asked Mr D to provide an independent report detailing evidence of the breach of contract, and to provide evidence of the likely cost of remedial work to have the renovations completed in line with the agreement Mr D had with J.

Mr D wasn't able to provide RBS with an independent report, and although he'd employed a second building company to complete the renovation, he was unable to obtain any evidence from it to support his S75 claim. As such RBS didn't pursue the S75 claim further.

Mr D complained to RBS and it didn't uphold his complaint. Unhappy with RBS' outcome Mr D referred his complaint to our service.

One of our investigators reviewed the details and didn't uphold the complaint. He considered it wasn't unreasonable for RBS to have requested an independent report to support a S75 claim. Mr D disagreed and asked for an ombudsman's review.

I recently issued a provisional decision where I set out, with reasons, my initial thoughts on this case and what I was intending to decide.

The below is an extract from my provisional decision:

*"The information in this case is well known to Mr D and RBS; and I've seen our investigator set out the S75 process and our service's approach to these cases within their correspondence with both parties. 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. While I may not comment on each individual point made or piece of evidence provided, I'd like to assure both parties I've carefully considered all of the information available to me. I don't*

*mean to be discourteous to Mr D or RBS by taking this approach, but this simply reflects the informal nature of our service.*

### *The S75 claim*

*Mr D contacted RBS in January 2024 to raise a dispute about a service he'd paid for but hadn't received. RBS obtained information from Mr D, including details of the dispute and evidence of interactions with J, and submitted a chargeback claim on his behalf which was successful. However, as RBS had processed the dispute as a chargeback claim Mr D only received around £3,000 which was the money he'd paid J on his credit card.*

*Mr D has said he thought RBS were dealing with his dispute as a S75 claim; and that it later unreasonably declined to consider a S75 claim for the total value of payments made to J, as it required further evidence which Mr D was unable to provide.*

*I've carefully thought about RBS' initial handling of the dispute Mr D raised with it; and having done so I don't consider it did handle the claim as reasonably as it could have.*

*I say this because I've seen a copy of the claim form and information and evidence Mr D provided RBS when making it aware of his dispute. Although Mr D set out within the form that the disputed amount was for a transaction with a value of around £3,000, the additional information provided within the form clearly stated the total invoice value, and that Mr D was looking to claim this full value.*

*Mr D isn't the expert in this relationship; and I don't think it unreasonable that RBS ought to have identified from the information Mr D provided – or at least questioned the conflicting information provided – that this claim was for the total amount of money paid to J, rather than the single transaction made on his RBS credit card.*

*However, I don't consider it unreasonable that RBS would first have looked to raise a chargeback claim on Mr D's behalf for the transaction made on his credit card, where it considered there was a reasonable chance of success. I say this because if successful RBS would have been able to recover some of the money in dispute from J. So, I don't think it unreasonable that RBS initially raised a chargeback claim.*

*But I consider once RBS knew the outcome of the chargeback claim it ought reasonably to have looked to consider a S75 claim for the remainder of the value in dispute, and it's clear RBS didn't do this.*

*Our investigator asked RBS why it didn't consider the dispute under S75, and its response was that Mr D had detailed the total value of his claim as being around £3,000 within the form he'd completed. But it didn't pass comment on the other information and evidence Mr D had included when submitting the form, setting out the total invoice value he was claiming.*

*I'm therefore persuaded RBS ought to have proceeded to consider a S75 claim once the outcome of the chargeback claim had been received; rather than when Mr D contacted it a number of months later.*

*However, had this approach been taken by RBS I don't consider it would reasonably have led to a different outcome in this case. I say this because under a S75 claim RBS would still have requested an independent report from Mr D to substantiate his claim. While Mr D has provided information and evidence by way of messages, emails and photos; I don't consider it unreasonable that RBS requested an independent report to set out the position of the work J had completed, and the cost to make it good.*

*I say this because S75 of the CCA says that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider, if there's either a breach of contract or misrepresentation by the supplier of the goods or services.*

*So, for RBS to consider Mr D's claim under S75 it needs to be satisfied there has been a breach of contract in respect of the provision of the service Mr D entered into with J.*

*The information and evidence Mr D has presented appears to show concerns with the service J was providing and completing against the agreement. It doesn't however provide RBS with an impartial point of view as to the standard of work that had been completed by J, or what further work would be needed, and at what cost, to meet the requirements of the agreement Mr D entered into with J. Not only was there further cosmetic work needed but Mr D makes reference to further electrical and plumbing work needed. And I don't consider it unreasonable that confirmation of this type of work would need more of a detailed evaluation, such as an independent report.*

*Mr D has said had he been made aware of the need for an independent report or evidence earlier, he would likely have been able to provide it. However, on balance I'm not persuaded this would more likely than not have been the case.*

*I say this because Mr D has told us within his testimony that he'd asked the second company to give him a written report after it initially inspected the property which he says it confirmed would be provided. However, this report didn't materialise before or while the work was ongoing. And that he'd looked to engage with the company after the work had been completed, on a number of occasions, but that his contact went unanswered. So, I don't consider Mr D would have achieved a different outcome here had he known of the need to have a report, or provide more detailed documentary evidence, at an earlier point. I say this because he was expecting to receive a report from the second company, but this ultimately didn't materialise.*

*By requesting a written report from the second company I consider it shows understanding on Mr D's part that having this level of detail would be needed, or at least would support, any claim he may make; especially given some of the work would need to be completed by specialist tradespeople.*

*So, had RBS looked to consider a S75 claim in a timely manner on balance I don't think Mr D would have been able to provide it with the information it reasonably requested; and it therefore follows I don't consider it acted unreasonably when dealing with Mr D's S75 claim.*

*RBS has said should Mr D be able to present further information or evidence from the second company he employed to complete the remedial work, that it will consider this under the S75 claim. I consider this is a fair approach for RBS to take.*

*Has RBS acted unfairly or unreasonably in any other way?*

*Mr D has said he was initially led to believe that RBS would be dealing with his claim under S75, and that he only became aware in May 2024, some months after the successful chargeback claim, that a S75 claim wasn't being progressed.*

*Mr D has said this has caused distress and inconvenience, impacting his health at times which has led to other family members needing to support him with the claim and complaint with RBS.*

*As I've found above, I consider RBS should have identified Mr D was looking to dispute the total value of transactions paid to J when he submitted his initial claim in January 2024; and therefore, should have looked at a S75 claim following the outcome of the chargeback claim.*

*RBS was aware of the already distressing situation Mr D was in, given the circumstances surrounding the claim. Mr D was waiting for further contact from RBS about a S75 claim that I consider he reasonable believed was being investigated – only to find his dispute wasn't being pursued by RBS. And when RBS did deal with Mr D's S75 claim it required him to provide again all of the information and evidence he'd already presented to it just a couple of months earlier. So, Mr D was put to further inconvenience in collating this information and presenting it again.*

*RBS' handling of this claim only added further avoidable distress and inconvenience to the frustrating and stressful situation Mr D was already in; and I consider it should pay him £250 for the distress and inconvenience caused in the handling of his claim."*

RBS accepted my provisional decision; Mr D didn't. In summary, he maintained his arguments that RBS' delay in handling his dispute as a S75 claim meant he was unable to provide it with the evidence it required; and that it should reimburse him for the financial losses he's suffered as a result. Mr D also said he was disappointed with the £250 award I was intending to direct RBS to make for its handling of the S75 claim.

### **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.

Having done so, I've not seen anything which leads me to conclude I should depart from the findings reached within my recent provisional. I say this because Mr D has maintained his position and restated some of the points made within his original complaint submission; but I'd already considered all of the evidence on file when reaching my provisional decision.

I acknowledge Mr D's arguments that he has incurred financial loss; and that his health has suffered as a result of the details surrounding this complaint. I am sorry to hear this, and I'd like to assure Mr D that I don't doubt the testimony he's provided throughout this complaint, and that I've carefully considered this together with the information and evidence presented. But, as I set out within my provision decision, I'm satisfied RBS' request for an independent report to support the S75 claim was reasonable. And based on the evidence available to me I consider a distress and inconvenience payment of £250 is reasonable for RBS' handling of the S75 claim.

### **Putting things right**

As set out within my provisional decision, I consider Mr D was put to unnecessary distress and inconvenience because of RBS' handling of his dispute. So, for the reasons set out within my provisional decision RBS should pay Mr D £250 to fairly resolve this complaint.

### **My final decision**

My final decision is that I direct The Royal Bank of Scotland Plc to pay Mr D £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 July 2025.

Richard Turner  
**Ombudsman**