

The complaint

Miss D complains about a claim she made to Barclays Bank UK PLC trading as Barclaycard (Barclaycard) in respect of a cancelled cruise.

What happened

In February 2023, Miss D used her credit card with Barclaycard to pay a deposit for a cruise for her and her partner. The cruise was booked for November/December 2023. She paid a £640 deposit to a retailer (who I'll call C). The organiser of the flights, transfers, cruise and tour is a separate entity who I'll call A.

Miss D made some queries to C about the specific details of the package following the booking having been made. Unhappy with the answers received, Miss D cancelled the booking in August 2023 and incurred a £100 fee to do this.

In September 2023, Miss D raised a payment dispute to Barclaycard. She stated that the packaged holiday had been misrepresented to her and raised various other concerns such as the price on the balance invoice having been more than was initially agreed, a gap in the itinerary, the luggage allowances being different on the various flights she was to take, the risk of missing out on important aspects of the tour due to the poor planning of transfers, and the hotels not being listed.

In October 2023, Barclaycard offered Miss D £370 (50% of the disputed amount) as a gesture of goodwill and in full and final settlement. Miss D contested this, and Barclaycard offered the full amount of £740 in dispute to Miss D in January 2024. When Miss D raised a complaint, Barclaycard assured her that she had not been charged interest on her credit card bills (or if she had, this had been refunded) and on the basis that it felt the offer could've been made sooner, Barclaycard offered Miss D £250 compensation for the distress caused.

Miss D brought her complaint to our service. She said due to the delays caused in accepting her dispute in a timely manner, she and her partner had lost out on the opportunity to take a once in a lifetime trip to celebrate a milestone birthday. This opportunity would not be available to them again. She detailed the severe distress and impact these events had had on her and asked us to consider whether she would be entitled to interest at 8% per annum and additional compensation for what she has been through.

Our investigator felt Barclaycard's position on offering £250 compensation was fair in light of Barclaycard offering a full refund. Our investigator did not think a chargeback would have been successful as the cruise had been cancelled and did not think we could consider Section 75 of the Consumer Credit Act 1974 (Section 75 CCA) as the relevant debtor-

creditor-supplier relationship was not in place. So, the investigator felt as any dispute was unlikely to succeed, the resolution already offered by Barclaycard was fair and reasonable.

Miss D, unhappy with this response, has asked for a decision to be made by an ombudsman. I issued a provisional decision in which I said the following:

Chargeback

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

Barclaycard said it reviewed the dispute under the VISA chargeback rules and found it could not raise a dispute for the deposit as the claim was out of time. It determined it would have little chance of success raising a dispute concerning the cancellation fee as Miss D agreed to pay this fee and provided her card details.

Having reviewed the transaction date and the rules that apply to relevant chargeback reason codes, I agree the request was made outside the time frame set by VISA for the deposit amount of £640. The closest chargeback reason would be 'goods and services not as described' and these must be raised within 120 days of the transaction taking place. It took Miss D longer than that to raise the dispute. So, on this basis, I don't think it was unreasonable for Barclaycard to decline to proceed with the chargeback dispute. In relation to the £100 cancellation fee, I cannot see that there is a reason code that would be satisfied under the VISA chargeback scheme rules and so I don't think it was unreasonable for Barclaycard to determine there was little prospect of moving a dispute for this amount forward.

Section 75

Section 75 of the CCA allows – in certain circumstances - for a creditor (Barclaycard) to be jointly and severally liable for any claim by the debtor (Miss D) of breach of contract or misrepresentation made by a supplier of goods and/or services. One of the requirements of Section 75 is that there must be a debtor-creditor-supplier (DCS) relationship. Put simply, this means there must be direct links between the debtor, the creditor and the supplier. Our investigator told Miss D that she didn't think the relevant debtor-creditor-supplier relationship is in place because Miss D booked the cruise through an agent who was not the supplier of the services. As such, any claim under section 75 would not have been successful.

Miss D booked a packaged holiday through C, and this is not in dispute. However, the terms of the agreement with C explain that the organiser of the packaged holiday is A and it is likely funds pass from C to A, thus breaking the DCS relationship. However, within that there is still a contract, and some liability C has as a retailer towards Miss D. As this is a packaged holiday, The Package Travel and Linked Arrangements Regulations 2018 also apply.

The reason I list these matters is to explain that in this case, C will have some (but limited) responsibility towards Miss D that Barclaycard can be held liable for under the provisions of Section 75. I see some of the concerns Miss D raises may fall under the responsibility of C (especially those concerning misrepresentation), but others such as breach of contract will fall under the responsibility of A (and those we would not be able to consider). Without the full terms and conditions of both C and A, I am unable to determine exactly what each party is responsible for at this juncture. But I don't think it necessary to do this as Barclaycard has

already offered to pay Miss D the full amount she has paid C. Even if we were to find in Miss D's favour, this is the most we would ask Barclaycard to do so there is no merit to labouring on this point any further and I will instead turn to whether any additional interest and compensation is due.

Interest and compensation

Barclaycard has accepted it has agreed to a full and final settlement for the claim, and this should have been done much sooner. I have thought about if it was done sooner, when it would have been likely to have made the offer. On 6 October it made the first offer as a gesture of goodwill for half the disputed amount. This is a reasonable point to start as it is the first time Barclaycard had provided an outcome to Miss D regarding the dispute, so I find it reasonable to assume that had it done things differently, it would have made a full offer at this point.

Miss D intended to travel with her partner in November/December 2023 to mark a milestone birthday. Had the offer for the full amount been received then, time would have been short but she might have had enough time to re-book another trip and leave as planned. On 23 January 2024, Barclaycard sent Miss D another letter stating it had accepted her claim for the full amount of £740. This was after the birthday had passed.

I have considered this and although I recognise the birthday that she wished to celebrate passed within these three months and the wider impact of the error made, I am not of the opinion that Barclaycard's error was so great that it should take full responsibility for Miss D's inability to go on an alternative holiday. An error was made in October, and it was put right three months later. There seems to be little done by Miss D to mitigate the losses she stood to face in not going, as she has described them.

Overall, and having considered all the submissions received I find the £250 already offered by Barclaycard to be fair to put things right. I am also conscious that a full offer for the disputed amount was made within a reasonable timeframe of the dispute having been brought to Barclaycard, so I do not find it reasonable for 8% interest to be added to the amount either. Therefore, I am not minded to ask Barclaycard to do any more to put things right on this occasion.

Barclaycard responded to the provisional decision and accepted the outcome with nothing further to add. Miss D has not responded to the provisional 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 neither party has provided anything further for consideration, I am reaching the same outcome and for the same reasons as those outlined in my provisional decision.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 14 July 2025.

Vanisha Patel
Ombudsman