DRN-5647154

The complaint

Mr K complains that Vanquis Bank Limited won’t refund to him the money that he paid for some car repairs.

What happened

Mr K says that the engine management warning light came on in his car in September 2023 and a recovery service took him to a nearby garage which diagnosed a mis-fire as a result of faulty spark plugs and he paid it £186 for work on his car. He says that the car broke down the day that he collected it and the recovery service took him back to the garage which charged him £1,294.17 in November 2023 for further work on the car. He paid that amount using his Vanquis Bank credit card.

He says that the car broke down again after he’d collected the car and the recovery service took him to a different garage which diagnosed the same fault and another garage estimated in December 2023 that the repair cost would be £1,950.64. Mr K contacted Vanquis Bank about the payment of £1,294.17 and it considered a claim under section 75 of the Consumer Credit Act but it said it didn’t find that there had been a misrepresentation and/or breach of contract by the repairing garage. Mr K complained to Vanquis Bank about its response but it said that due to the insufficient documentation and based on the evidence provided, it couldn’t change the outcome on the section 75 claim as no breach of contract or misrepresentation was found. It offered to pay £25 to Mr K as a gesture of goodwill for the time taken to investigate his complaint.

Mr K wasn’t satisfied with Santander’s response so complained to this service. His complaint was looked at by one of this service’s investigators who, having considered everything, didn’t recommend that it should be upheld. He didn’t think that a chargeback claim had a reasonable prospect of success as Mr K hadn‘t provided Vanquis Bank with details of his attempts to resolve the dispute with the repairing garage. He said that there wasn’t sufficient evidence to demonstrate that there was a breach of contract or misrepresentation by the repairing garage so Vanquis Bank wasn’t required to take further action on Mr K’s section 75 claim.

Mr K didn’t accept the investigator’s recommendation and has asked for an ombudsman to make a decision on his complaint. He says that the repairing garage misdiagnosed the initial fault as a spark plug issue and that the recovery service’s report and the estimate for the repair work after inspection of his car is enough evidence that the repairing garage didn’t carry out the work or has done substandard work. He says that he did raise a dispute with the repairing garage and tried to resolve it by giving it the opportunity to rectify the problem despite his fears after the misdiagnosis and he’s provided a call log showing the calls that he made to the garages.

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.

If a consumer disputes a credit card payment, there are two ways that I would expect the card issuer to respond to the dispute: a chargeback claim and a claim under section 75. The card issuer may be able to make a chargeback claim to the merchant under the relevant card scheme to try to settle the dispute. There's no right for a consumer to require that a chargeback claim be made and the applicable scheme rules set out the disputes that can be considered and the time limits for making a claim. If the right to make a chargeback claim exists under the applicable scheme rules, and if there's a reasonable prospect of success, I consider it to be good practice for a chargeback claim to be made.

For a chargeback claim to be successful in these circumstances, Mr K would be required to show that he'd attempted to resolve the dispute with the repairing garage. Vanquis Bank asked him for details of his attempts to resolve the dispute with the repairing garage but he didn't provide it with any such details. The dispute is about the payment of £1,294.17 that he paid to the repairing garage and I'm not persuaded that there's enough evidence to show that he disputed that payment with the repairing garage. I don't consider that there was a reasonable prospect of a chargeback claim being successful in these circumstances, so I'm not persuaded that Vanquis Bank acted incorrectly by not making a chargeback claim for the payment that Mr K had disputed.

Vanquis Bank considered the disputed payment under section 75. In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. To be able to uphold Mr K's complaint about Vanquis Bank, I must be satisfied that there's been a breach of contract or misrepresentation by the repairing garage and that Vanquis Bank's response to his claim under section 75 wasn't fair or reasonable (but I'm not determining the outcome of Mr K's claim under section 75 as only a court would be able to do that).

Mr K paid £1,294.17 to the repairing garage for repairs to the car in November 2023 but he says that on his way home the day that he collected the car, it broke down again with the same problem. The repairing garage's invoice shows that the timing chain set was renewed and I've seen no evidence to show that the timing chain set hadn't been renewed. As the car broke down on the same that Mr K had collected it from the repairing garage, I consider that it would be reasonable to expect him to have returned the car to the repairing garage for it to have dealt with the continuing issues with the car. But Mr K didn't do that and he says that he insisted that the recovery service take him to a different garage.

The repairing garage's invoice says that metal filings had been found in the engine and solenoid valves and that the engine had been flushed twice but it couldn't guarantee that all metal filings were out of the engine. The estimate for the repair work doesn't include any explanation as to why the timing chain set needs to be replaced again and doesn't comment on the quality of the work carried out by the repairing garage.

Other than the repairing garage's invoice, Mr K hasn't provided any details of his contract with the repairing garage or its terms and conditions and I'm not persuaded that there's enough evidence to show that there's been a breach of contract by the repairing garage for which Vanquis Bank would be liable under section 75. I can understand Mr K's disappointment and frustration that he's paid £1,294.17 to the repairing garage but his car then required further work, but I would expect him to have returned the car to the repairing garage.

Vanquis Bank offered to pay £25 to Mr K for the time taken to respond to his complaint. I consider that to have been fair and reasonable compensation for those issues. I appreciate that my decision will also be disappointing for Mr K, but I consider that Vanquis Bank's response to Mr K's section 75 claim was fair and reasonable. I find that it wouldn't be fair or reasonable in these circumstances for me to require Vanquis Bank to refund to Mr K the £1,294.17 that he paid to the repairing garage, to pay him any further compensation or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 September 2025.

Jarrod Hastings
Ombudsman