

The complaint

Mr L has complained about the way Capital One (Europe) plc (“Capital One”) dealt with a claim for money back in relation to a hotel room he paid for with credit it provided.

What happened

In January 2025, Mr L used his Capital One credit card to pay for a hotel room with a supplier I’ll refer to as “H”. Mr L paid £161 for the hotel room and the booking was for a few nights.

Mr L said he wasn’t happy with the room and service received and it was not worth the price that he paid. So, after his stay, he sought a refund for what he’d paid. I can see H had asked him for details of why he was unhappy, and Mr L reiterated that he didn’t think the hotel room was “worth the money” and felt that his “stay could have been a lot better”.

Mr L contacted Capital One to request a refund, and Capital one considered both a claim for chargeback as well as a claim under Section 75 of the Consumer Credit Act 1974 (“s.75”). Mr L also complained about a number of other things such as Capital One’s disputes process, its failure to set up a direct debit payment, concerns over his credit file and that he’d not signed up to the terms and conditions of the new credit agreement.

Mr L wanted a full refund of everything he’d paid but other than explaining that he was unhappy with the room, provided no further details. Capital One said it repeatedly asked for information to help it consider a chargeback claim and then sent an information request for his s.75 claim. Mr L did provide an invoice with his booking information and emails sent to H.

Capital One considered the claim under Mastercard’s chargeback rules but didn’t claim a refund saying he hadn’t provided the information necessary to progress his claim. It later also explained that he provided no proof to support his s.75 claim, so he’d need to complete the s.75 form he’d been asked to complete and provide the evidence needed to consider the claim any further.

Mr L decided to refer his complaint to the Financial Ombudsman. He re-iterated his earlier complaint points and felt they’d been unresolved.

Our investigator looked into things and didn’t think the complaint should be upheld. He felt that Capital One’s response to both the chargeback and s.75 claim was fair – as Mr L hadn’t provided the necessary evidence to progress either claim. He also didn’t think there was any evidence that Capital One had acted unreasonably in regard to Mr L’s other complaint points.

Mr L didn’t agree and requested his complaint be referred to an ombudsman, but he didn’t make any further comments or submit any further evidence.

As things weren’t resolved the complaint has been passed to me to decide.

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.

Firstly, I'd like to reassure Mr L, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of his complaint in this decision as I'm required to decide matters quickly and with minimum formality. So, while I may not comment on everything he's said, I have thought about it and considered it as part of my assessment of this complaint.

Chargeback

Firstly, it may be helpful to explain that each credit card issuer acts under specific chargeback rules that may be different with other credit scheme providers. Chargeback allows for a refund to be requested where money was paid using a plastic card in certain scenarios, such as when goods or services are not as described or not received. Chargeback is designed to be a simple process to settle complaints. The rules are very specific and detailed and usually there's little room for discretion – and they are simply applied to a case as they are.

In this case Capital One said that Mr L hadn't provided the necessary information it needed to make a claim under the chargeback rules, so it declined his claim. Mr L has provided a copy of his booking form, and copies of emails with H saying he is unhappy. He has expressed his opinion that the hotel room wasn't worth the money he paid, and that he wasn't happy – but hasn't said anything further or provided any additional evidence to support his claim.

Having checked the rules, they do only offer the ability to seek refunds in a limited number of situations such as the services being denied by the merchant for example, or goods or services not being as described. It looks like Mr L used the rooms for the period he booked it and he wasn't denied the service for example. The rules do not allow Capital One to seek a refund on behalf of the consumer simply because they're disappointed or unhappy. So based on the facts of this case, I don't think it was unreasonable for Capital One to conclude that his situation didn't fall into one of the categories where a refund could be successfully claimed.

I would reiterate that the rules are made and run by Mastercard not Capital One, so Capital One is unable to apply any discretion here. So, while I appreciate Mr L's point of view, given the card scheme rules, I don't think Capital One could have done anything differently here. So, like our investigator, I don't think Capital One's response to the dispute was unreasonable under the scheme rules.

Section 75

It may be helpful to explain that I need to consider whether Capital One – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr L's claim. It's important to note Capital One isn't the supplier. S.75 is a statutory protection that enables Mr L to make a 'like claim' against Capital One for breach of contract or misrepresentation by a supplier when goods or services were bought using a credit card. But s.75 doesn't make Capital One liable for everything that may have gone wrong with H. It's a limited protection that enables consumers to seek a remedy from their finance provider in a narrow set of circumstances namely where there is either breach of contract and/or misrepresentation made by H that can be established with evidence.

There are certain conditions that need to be met for s.75 to apply. From what I've seen, those conditions have been met, and Capital One also appears to agree that s.75 applies.

Misrepresentation

To make a claim for misrepresentation, Mr L would need to evidence that the hotel has been misrepresented to him and that this caused him to suffer loss. We generally assess cases using the definition of a misrepresentation as, an untrue statement of fact or law made by one party (or his agent) to a second party which induces that second party to enter the contract, thereby causing them loss.

Breach of contract

In order to uphold Mr L's s.75 claim on the basis that there has been a breach of contract, Mr L would need to evidence that H breached a term of the contract – and that caused him to suffer loss. He would have to show that either, there was a breach of an express term of the contract (such as a specific written term that had been breached) or whether there has been a breach of an implied term. The Consumer Rights Act 2015 (CRA) implies terms into the contract that services must be delivered exercising reasonable care and skill. The CRA also sets out what remedies are available to consumers if statutory rights under a goods or services contract are not met.

Evidence

However, in order to assess either a claim for misrepresentation and/or a breach of contract – I'd need to see evidence that the hotel was either misrepresented to Mr L by H, and/or whether any poor service amounts to a breach of contract as well. Mr L hasn't provided any detail as to why he is unhappy and hasn't provided any evidence other than his own subjective belief that the hotel wasn't worth what he paid for it.

To support a claim for either misrepresentation and/or breach of contract, I would expect to see evidence such as booking forms/adverts, information packages/ itinerary breakdowns etc which would have demonstrated how the hotel was presented to him, and/or what H had agreed to offer in its contract and evidence that this hadn't been delivered.

Mr L's opinion that the hotel room wasn't worth what he paid for it isn't sufficient to enable me to uphold his complaint. Being unhappy with the service, or the hotel not meeting his expectations whilst disappointing, are not sufficient to make a successful claim under s.75. As Mr L is making the claim, the onus is on him to provide the evidence and other than providing his testimony, there is a distinct lack of evidence to support either his claim for misrepresentation or breach of contract.

Based on what I've seen, I don't think it's unreasonable that Capital One didn't uphold his claim based on the available evidence. S.75 is a legal claim, and the onus is on Mr L to provide evidence to support his claim, and I can't safely conclude there has been a breach of contract, or misrepresentation based on what he's said.

Other issues

I understand Mr L has raised a number of other issues and as explained above, while I may not comment on everything that he's said, I have read and thought about everything he's said but will only comment on the issues that I think are key.

- I understand Mr L feels like he doesn't recall signing the terms and conditions of the

credit agreement, but as explained by our investigator, he agreed to the terms electronically when he applied for the credit card online. I can also see he's used the credit card and made payments under it, and I don't think it's reasonable to apply for and use a credit card and then claim that you're not bound by the credit agreement terms.

- I appreciate Mr L incurred a late payment fee as he didn't make the payment due on his credit card and he was unhappy that Capital One hadn't set up a direct debit payment. But it is a consumer's responsibility to make the payments in line with the terms and conditions of the account, and I haven't seen any evidence that Mr L had asked for a direct debit payment to be set up prior to March 2025 or that Capital One had said one would be set up automatically. So, it doesn't look like the late payment fee was caused by anything Capital One did or that it failed to act on a request to set up a direct debit. I understand it also refunded the late payment fee as a gesture of goodwill.
- Mr L is also concerned about any adverse information appearing on his credit file. Capital One has said it hasn't reported any adverse information and Mr L hasn't provided any evidence that it did. But as explained by our investigator, I reiterate that it is Mr L's responsibility to make payments in line with the account terms, and if he doesn't manage his payments and credit card account in line with the agreed terms, then Capital One is obligated to report the true conduct of his account on his credit file.
- I appreciate Mr L has found Capital One's disputes process frustrating with forms to complete but nothing I've seen suggest that Capital One has behaved unreasonably or caused any unnecessary delays. Mr L has made claims and Capital One is entitled to ask for evidence to enable it to investigate his claims. If Mr L needs support in completing the forms, he can contact Capital One or the voluntary organisations our investigator referred him to see if they can provide him with support going forward. He can also contact them for support if he's experiencing financial difficulties.
- Mr L has claimed that he's made calls to Capital One in order to resolve these issues and feels he should be compensated for that as he has used the free minutes on his phone package to chase updates etc. But I can't see that Capital One has caused any delays or hasn't responded to him in a timely manner. Additionally, as explained by our investigator, Mr L was able to communicate with Capital One online (which he did so on a few occasions), so I don't find any reason to ask Capital One to offer Mr L any compensation.

Overall, I don't see that there's any evidence of an error or unreasonable behaviour on the part of Capital One that would warrant a compensatory payment to Mr L.

While I am sorry to hear Mr L is unhappy, with s.75 in mind, I don't find there are grounds to direct Capital One to refund him the cost of the hotel room. I also don't think Capital One's response to his chargeback claim was unfair. Additionally, I don't think there is evidence that Capital One acted incorrectly in relation to the other issues Mr L has raised. So overall, I don't uphold his complaint.

If Mr L would like Capital One to reconsider his s.75 claim, he can submit the form Capital One requested with any evidence he has and ask it to reconsider his claim. As explained above, he can ask both Capital One, or any of the voluntary organisations previously mentioned by our investigator for help in gathering the evidence required. I should also point out Mr L doesn't have to accept this decision. He's also free to pursue the complaint by more

formal means such as through the courts.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 9 October 2025.

Asma Begum
Ombudsman