

The complaint

Mr O complains that Sainsbury's Bank Plc failed to handle security checks properly and rejected his claim under section 75 Consumer Credit Act 1974 ("s.75").

What happened

In November 2019 Mr O enrolled in a training course at a cost of £27,700, part of which he paid using his Sainsbury's credit card. This was discounted from the full price of £35,000. I note the bank believes he paid slightly more. There were three levels of course available and Mr O chose the top level which provided lifetime access. It also offered several extras such as access to an Elite Lounge, priority access, a toolkit, 12 months membership of a trade body and a Christmas party invite.

He started the course, but initially Covid 19 interrupted things and he was made redundant which affected his resources. He said a three day in person meeting with a mentor was curtailed. The merchant providing the training changed ownership and in March 2025 it ceased trading.

Mr O contacted the bank in February 2025 to make a s.75 claim. It asked him for additional information, but due to the issue with security he was prevented from sending through further details. Sainsbury's concluded there was not sufficient clear evidence to uphold the claim.

When Mr O was making his claim he notified the bank of a change of address. He was also asked further questions which the bank said was to ensure his personal information was up to date. Mr O did not provide answers and he ended up having to provide security evidence. He was asked for a certified copy of his driving licence. But the one he sent didn't satisfy Sainsbury's, in part due to the photo being unclear. Mr O complained and said the bank had been discriminatory. It accepted it had not given him sufficient clarity on what was needed and offered him compensation of £100 and to cover his postage costs.

Mr O brought a complaint to this service where it was considered by one of our investigators. She felt the compensation offered by the bank for the security issue was fair. However, she thought there were grounds for upholding the s.75 claim given the merchant had ceased to trade.

She noted the merchant's website from 2019 stated that the course purchased by Mr O offered: "... a fast track programme that will teach you everything you need to know in a year." It had the same benefits as the 'Advanced' two year programme but instead of two year access, provided 'lifetime access' to resources such as newsletters, the webinar library, and help desk. It also included a three day rather than a two day visit, and 12 month membership of trade bodies.

She compared what was offered by the top two levels of courses noted Mr O had paid an additional £6,700 for the top level. She thought Mr O had lost out on the ongoing support promised and suggested that a reasonable estimate of the loss to him would be 20% of £6,700. As such she suggested the bank pay Mr O £1,340.

Sainsbury's agreed, but Mr O did not. He said the level two course cost only £14,000 and so the redress should be larger. He also provided a copy of a letter sent to the merchant by a group of students in July 2020 complaining that the top level course wasn't worth the extra they had paid. He added that he had been told top level students had access to funding to help them develop their businesses but this had not been provided.

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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr O that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Firstly, I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

Security Issues

Having read the evidence provided by both parties and listening to phone calls I can see that Mr O was frustrated by the bank's security processes. It is entitled to operate reasonable security measures in order to protect customers. However, it did not make clear to Mr O what was required. He sent a certified copy of his driving licence, but only one side and the bank said it needed both. It also felt the photo was too dark to clearly identify him. Its handling of the matter could have been less heavy handed, but I am satisfied it wasn't discriminating against him. That said I appreciate Mr O felt otherwise. Overall, I consider the £100 offered by the bank was fair as was its offer to cover the £12.50 postage costs.

S. 75 Claim

This complaint has been submitted as a claim under s. 75. This legislation offers protection customers who use certain types of credit to make purchases of goods or services. Under s. 75 the consumer has an equal right to claim against the provider of the credit or the retailer providing the goods or services, if there has been a misrepresentation or breach of contract on the supplier's part. For s. 75 to apply, the law effectively says that there has to be a

- Debtor-creditor-supplier chain to an agreement and
- A clear breach of contract or misrepresentation by the supplier in the chain.

Our role isn't to say if there has been a breach of contract or a misrepresentation for a valid claim under s. 75 but to consider if the bank has come to a fair outcome based on the evidence provided. I am satisfied the required agreement chain is in place and so I must consider if there has been a breach of contract or misrepresentation.

When considering misrepresentation I have looked at the order form and the merchant's terms and conditions. I also have taken account of what Mr O has recalled of what he was told some five or so years ago. It seems he was subject to a relatively hard sell, but that of itself does not amount to misrepresentation. Nor does the issue of value for money amount to misrepresentation. He and his fellow students may have felt they could have had sufficient

material for their needs from the level two course, but that does not mean the level three course was misrepresented.

Nor can I say that he was told he could have access to funds. I have listened to a call between Mr O and a former employee of the merchant and this claim was rejected by the latter. He said funds may come from individuals, but the merchant did not make offers of funding. And I have not seen anything in writing which supports this claim.

On the issue of breach of contract it is clear the contract was breached once the merchant ceased trading. Prior to that I do not see that Mr O has presented evidence of a breach. I appreciate the face-to-face meeting with the mentor was shortened, but I do not consider that to be a material breach that needs to be addressed by the bank.

It is difficult to establish the value of any loss Mr O suffered by the merchant ceasing to trade in 2025 some five years after he enrolled. It is usual for the greater benefit of any training to come at the outset so I believe the value should be regarded as front loaded. This is reinforced by the 2019 extract from the merchant's website mentioned above. Mr O has lost ongoing support and mentorship, but it is reasonable to assume Mr O would have had the opportunity to derive the majority of the benefit from the course in the first few years.

Mr O has disputed the relative cost of the different levels offer by the merchant. Our investigator used this as a rough and ready basis for calculating an estimated sum for redress. Sainsbury's thinks it resulted in too high a sum. I have some sympathy with that view and it is arguable that any ongoing benefit was negligible. There is no exact formula for determining the loss Mr O suffered due to the merchant ceasing trading however, after deliberation I believe the sum of £1,340 is fair and reasonable.

Putting things right

I consider Sainsbury's Bank Plc should pay Mr O £100 compensation for its handling of the security issue and £12.50 costs, if it has not already done so. It should also pay him £1,340 in respect of his s.75 claim.

My final decision

My final decision is that I direct Sainsbury's Bank Plc to pay redress and compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 15 September 2025.

Ivor Graham
Ombudsman