DRN-5720934

The complaint

Mr L complains Barclays Bank UK PLC trading as Barclaycard has acted unfairly by not refunding a payment he made using his credit card.

What happened

In February 2025, bailiffs from a company I'll refer to as M visited Mr L's home to recover an outstanding debt. As I understand it the debt originated from a fixed penalty notice Mr L had received from a council I'll refer to as Y.

Y had previously received authorisation to prepare a warrant of control for unpaid fixed penalty notices. This was, in effect, an instruction to Y to enforce the judgement and it had contracted M to collect it on its behalf.

Mr L says when the bailiffs from M came to his home, they threatened to take his car, so to prevent this he paid £625 to M using his Barclaycard credit card. Mr L also says he made a separate payment of £100 using a debit card issued by another bank.

Mr L considered the payment had been taken unlawfully as M threatened to take away his vehicle when it shouldn't have done. He also said its agents had been violent towards him, so he complained to Y and M. As neither party upheld his complaint, he contacted Barclaycard in an attempt to claim a refund.

Barclaycard reviewed matters but declined Mr L's claim. It said the bailiffs were not providing a product or services, instead were dealing with a civil matter, so it was unable to provide a refund.

Mr L disputed this, saying M were providing a service to Y to collect the funds. He said he'd not been provided documentation to confirm the debt was owed and that M had breached various legislations. He also said he'd raised his concerns about M's actions with the police. In addition, Mr L raised his concerns about a call he'd had with Barclaycard on 15 February 2025, saying it had been unhelpful and given incorrect information.

On review, Barclaycard explained it was unable to pursue the matter under the dispute process known as chargeback, as the transaction did not meet the requirements set under Visa's rules. It also said there was no financial link with Y, only with M, who debited the account. And as M were acting on behalf of Y it couldn't pursue the matter under Section 75 of the Consumer Credit Act 1974 (CCA) either. It did however agree it could have been clearer in its communication with Mr L, and for this apologised and credited Mr L's account with £25.

An Investigator here reviewed matters but concluded Barclaycard hadn't acted unfairly in declining Mr L's claim under chargeback or section 75. They explained under the Visa rules there was no suitable reason code to raise a chargeback and as the payment hadn't been made to finance a contract, a claim under section 75 was also not possible. They did however agree Mr L had been given incorrect information during a call with Barclaycard, but for that they considered £25 already paid resolved matters.

Mr L didn't agree; in summary he said:

- The actions by M, namely legal violations and criminal behaviour hadn't been considered

- The transaction wasn't valid as the payment was made under coercion

- Neither the chargeback or section 75 processes had been correctly applied, and Barclaycard had a duty to protect its customers from unlawful demands from a debt that was not genuine

- Financial institutions had a duty to protect vulnerable customers from unlawful enforcement and Barclaycard hadn't done that here.

As no agreement could be reached 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 should say this decision is only looking at the way in which Barclaycard handled Mr L's chargeback and section 75 claims. I say that because Mr L has also raised concerns that Barclaycard allowed the payment to be made in the first instance, commenting on its duty to protect customers from demands for credit that are not genuine. But that isn't a complaint he's raised with Barclaycard, so it won't form part of any decision I come to here.

I'm also aware Mr L considers Barclaycard should be accountable for the conduct and processes of M and Y. But in this decision, I'm only able to consider how Barclaycard handled the dispute Mr L raised with it. This also means I'm not able to comment on whether M's actions broke certain legislations in relation to its role as a bailiff, as Mr L says – as that isn't within the jurisdiction of this Service.

Here Barclaycard isn't the supplier of the debt recovery services, so in order to decide if it acted fairly, I need to consider its role as a provider of financial services only. As Mr L used his credit card to pay the amount to M, I need to consider how Barclaycard could have reasonably assisted him through the protections offered by chargeback and section 75. I have considered each in turn below.

Chargeback

Chargeback allows for a request of a refund to be made of money paid with a plastic card in certain scenarios. Chargeback is a scheme run by the card scheme to which the consumers card belongs. Chargebacks are not guaranteed to succeed, the recipient of the funds (M in this case) can choose to challenge or defend a chargeback if they don't think it is valid. A consumer also cannot require their card issuer to attempt a chargeback, as it isn't a right.

Here, Barclaycard didn't raise a chargeback, but I don't think that's unreasonable. I say that because chargebacks are primarily for resolving disputes about goods or services, including for example, where payments have been made for an item that hasn't been delivered or the service received, isn't as expected. That wasn't the case here, Mr L made payment to M for a debt Y had asked it to collect.

While this is not an exhaustive list, there is a requirement for any chargeback raised to be done so under a particular reason code. Having considered the reasons available to

Barclaycard under which to raise a chargeback, I cannot see how Barclaycard would have been able to do so successfully. As such I don't think it's unreasonable it didn't pursue a chargeback in this instance, as there isn't a suitable reason code under which to do so.

Section 75

Section 75 allows consumers who have purchased goods or services using a credit card, to claim against their credit card issuer in respect of any breach of contract or misrepresentation by the supplier of those goods or services, so long as certain conditions are met.

A further condition that needs to be met, is that there needs to be what is known as a debtor-creditor-supplier ("DCS") agreement in place.

As our Investigator has said, I would question whether the necessary DCS agreement is in place here. I say that because although Mr L made the payment to M, he didn't do so with the intention of M supplying him a service. In the context of section 75 a transaction is a payment to one party, in exchange of goods or services, but that isn't the case here. Mr L made a payment of an amount to M to discharge a debt, as such I don't think the required transaction, under section 75, took place here to give rise to a relevant DCS agreement. As a result, I don't think DCS applies.

While I don't think DCS applies here, for the reasons explained above, even if I was mistaken on that, Mr L would also need to evidence there has been a breach of contract or misrepresentation by M. But for similar reasons to those I've set out above, I don't think that's the case here.

I say that because under section 75 it says:

(1) If the debtor under a debtor-creditor-supplier agreement falling within section 12(b) or (c) has, in relation to a transaction financed by the agreement, any claim against the supplier in respect of a misrepresentation or breach of contract, he shall have a like claim against the creditor, who, with the supplier, shall accordingly be jointly and severally liable to the debtor.

(3) Subsection (1) does not apply to a claim —

(a) under a non-commercial agreement,

(b) so far as the claim relates to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000 …

An essential element of a claim under section 75 is that the debtor (here, Mr L) has a claim for a breach of contract or misrepresentation. Mr L did not, however, make the credit card payment to finance a contract. He didn't have a contract with the bailiffs and cannot, as a result, have had a claim for a breach of one. He made the payment because the bailiffs were enforcing a judgement on the instruction of the Court.

Mr L has commented that M had no right to collect the payment and amongst other things misrepresented its right to collect the debt. However, a misrepresentation is a statement of fact or law, made by one party to a contract, which induces the other party to enter the contract and suffer a loss. But here, as I've explained above, Mr L did not enter a contract with the bailiffs, so it follows that he cannot have a claim under misrepresentation either.

Given this, I don't consider Barclaycard has acted unfairly in declining his claim under section 75.

Customer Service

Mr L has also complained about Barclaycard's handling of a call it had with him. Having listened to the call, Mr L was incorrectly told the response he'd received was its final position. But as Mr L said, it didn't refer him to this Service and nor had Barclaycard yet considered his complaint.

Barclaycard reviewed this and agreed Mr L was given incorrect information and paid him £25 compensation to apologise. This seems fair in the circumstances of this complaint, as while he was provided incorrect information, the call handler raised a complaint during the same call. Which they would have needed to do in any case, as Mr L remained unhappy with the outcome of his claims. As such, it didn't cause any delay in Mr L referring his complaint to this Service and its now apologised and provided Mr L with a final response in order to bring his complaint to this Service.

Overall, while I appreciate this will come as a disappointment to Mr L, I don't think Barclaycard has acted unfairly here. That's because as I've explained above, there wasn't an appropriate reason code to pursue a successful chargeback for the payment made to M. And while it appears his payment to M didn't meet the necessary technical requirements in order for there to be a valid section 75 claim against M, it was also not possible to claim misrepresentation or breach of contract as Mr L didn't make the credit card payment to finance a contract with M. As such, I don't think Barclaycard handled his claims unfairly. And as I think the amount it's already paid to apologise for the customer service aspect is fair, I won't be asking it to do anything further here.

My final decision

For the reasons explained above, I don't 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 26 September 2025.

Victoria Cheyne
Ombudsman