

The complaint

Mrs W complains that NewDay Ltd rejected her claim under section 75 Consumer Credit Act 1974 ("s.75").

What happened

In August 2024 Mrs W booked a rental holiday cottage at a cost of £1,789.20 using her NewDay credit card. She booked it through a host website which I will call A. It was described as pet friendly, but on arrival she discovered there was rat poison which caused her dogs to be ill. She also found that there were other issues with the property such as poor cleanliness and the heating not working properly.

She had email exchanges with the owners and they offered to refund the fee they got from the online host if she wished to leave. Mrs W chose to stay at the cottage. She subsequently incurred vet's fees of £108. After her holiday she contacted A and it refunded her £456 saying this was the maximum it would provide in a situation such as this.

Mrs W made a s.75 claim, but NewDay said that A acted as an intermediary, and it had not been responsible for a breach of contract. Mrs W then brought a complaint to this service where it was considered by one of our investigators who recommended it be upheld. She said A provided a guarantee for when things go wrong and so she thought it was liable. She considered it should have covered Mrs W's vet's bill as well as the £456 it had already paid. She also said NewDay should pay £50 compensation for the distress caused to Mrs W.

NewDay didn't agree and said there was no debtor-creditor-supplier chain in the agreement and so s.75 did not come into play. It also disputed the £50 compensation.

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.

Having reviewed the evidence presented by both parties I consider this complaint should be upheld. I will explain why.

Section 75(1) of the CCA states the following:

"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."

Section 12(b) and 12(c), referred to above, are set out as follows:

"(b) a restricted-use credit agreement which falls within section 11(1)(b) and is made by the creditor under pre-existing arrangements, or in contemplation of future arrangements, between himself and the supplier, or

(c) an unrestricted-use credit agreement which is made by the creditor under pre-existing arrangements between himself and a person (the “supplier”) other than the debtor in the knowledge that the credit is to be used to finance a transaction between the debtor and the supplier.”

A credit card agreement, when used to purchase goods or services using the card itself, operates as a restricted-use credit agreement.

In this case NewDay is the creditor and Mrs W the debtor. The supplier is A and the issue to be determined is what has it agreed to provide as the supplier. NewDay has explained that A is an intermediary and refers to the following on its website:

“[A’s] Host Services.

[A’s] role: We offer you the right to use a platform that enables Members to publish, offer, search for and book Host services. When Members make or accept a booking they are entering into a contract directly with each other.

[A] is not and does not become a party to or other participant in any contractual relationship between Members.

[A] is not acting as an agent for any Member except for where [A] Payments acts as a collection agent as provided in the Payments Terms.

While we work hard to ensure our Members have great experience using [A], we do not and cannot control the content or performance of Guests and Hosts and do not guarantee (i) the existence quality, safety, suitability or legality of any Listings or Host Services or (ii) the truth or accuracy of any Listing descriptions, reviews, or other Content provided by Members.”

If this was all that A did then I may well be persuaded by NewDay’s arguments. However, A does offer protection to customers who book properties on its website in addition to the services outlined above. As our investigator has explained A provides the following:

[A] policy

Policies provided by [A] are limited in terms of the liability taken for some issues that arise, specifically, a list is provided of ‘Reservation Issues’ as follows:

“The term “Reservation Issue” refers to these situations:

- Host cancels the reservation prior to check-in.*
- Host fails to provide their guest access to the accommodations.*
- Accommodations are not habitable at check-in, including but not limited to any of the following reasons:*
 - Not reasonably clean and sanitary.*
 - Contain safety or health hazards.*
 - Accommodations are significantly different than advertised, including but not limited to any of the following reasons:*
 - Inaccurate space type (e.g. entire place, private room, or shared room).*
 - Inaccurate type or number of rooms (e.g. bedrooms, bathrooms, and kitchens).*
 - Inaccurate location of the accommodations.*
 - The Listing fails to disclose that the host, another person, or a pet will be present*

- during the stay.
- *Special amenity or feature advertised in the Listing is not present or does not function (e.g. pool, hot tub, major appliance, heating, and air conditioning systems)."*

Under [this cover] [A] says it will "review it and if we find it's an issue that's supported by [this cover] for guests and you'd like to leave the place, we'll help you find a similar place to stay, depending on availability at comparable pricing. If a similar place isn't available or you'd prefer not to rebook, we'll give you a full or partial refund."

So, it seems that as part of the contract Mrs W entered into with A is that it would provide cover for certain situations. It has accepted it is responsible for refunds where the accommodation is not reasonably clean and sanitary and where there are safety or health hazards. In simple terms, as part of its agreement with customers A says if something goes wrong we will refund you. I am satisfied from the evidence provided by Mrs W including email exchanges that the property she booked fell foul of these standards and indeed A has agreed. It did so earlier and paid her £456 in recognition of the problems she encountered. I think that offer was fair and reasonable in respect of the loss of enjoyment due to the quality of the accommodation.

However, Mrs W also incurred vets fees of £105.08 which I think should have been included in the refund which A offers under its agreement with customers.

I also think the delays in resolving this matter have caused Mrs W distress and inconvenience and so I agree that NewDay should pay her compensation of £50.

Putting things right

NewDay Ltd should pay Mrs W £105.08 to cover her vets bill, plus 8% annual simple interest from the date this cost was incurred until the date of payment plus £50 compensation.

My final decision

My final decision is that I direct NewDay Ltd to pay redress and compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 16 September 2025.

Ivor Graham
Ombudsman