The complaint

Mr L complains that Bank of Scotland plc trading as Halifax declined his disputed transaction claim.

What happened

Mr L purchased a used car on 22 April 2024 using his Halifax credit card as part payment for £2000. Additional payments were made using another credit card (£2000) and a debit card (£800). Mr L also traded in a car which was given a part exchange value of £1000.

On 19 March 2025 Mr L contacted Halifax to raise a disputed transaction claim. He said the car had failed its MOT with the main reason being the front offside brake disc being worn. Mr L was unhappy because he'd only had the car for 10 months and hadn't covered much mileage during that time. Mr L said he'd contacted the merchant to request a refund for the repairs that were required but the merchant had declined and said the faults weren't present at the point of sale, that the previous MOT didn't mention the issues raised by Mr L and that brakes fell under routine maintenance.

Halifax initially reviewed the claim under chargeback, but this wasn't possible due to the length of time which had passed since the transaction was completed. The claim was then passed to the Section 75 team, who reviewed it but found that there was insufficient evidence of a breach of contract or a misrepresentation because Mr L had already had the car repaired and therefore the opportunity to obtain an independent report to confirm whether the issues were present at the point of sale had been lost.

Mr L remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said she thought Halifax's decision to decline the Section 75 was fair because there wasn't enough evidence to show that there had been a breach of contract or a misrepresentation.

Mr L didn't agree so I've been asked to review the complaint.

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 know it will disappoint Mr L, but I agree with the investigator's opinion. I'll explain why.

In certain circumstances Section 75 gives a consumer a right to claim against a supplier of goods or the provider of credit if there's been a breach of contract or a misrepresentation.

In order to uphold Mr L's complaint, I would need to be satisfied that there's been a breach of contract or a misrepresentation and that Halifax's response to the claim under Section 75 wasn't fair or reasonable.

Mr L hasn't said that there's been a misrepresentation about the car, so I've focussed on whether there's been a breach of contract.

The relevant law says that goods must be of satisfactory quality and fit for purpose at the point of supply, taking into account the description of the goods, the price and all relevant circumstances. In the case of a car, the relevant circumstances to take into account would include the age and mileage of the car, and the history of the car.

Mr L purchased a second-hand car which was around 11 years old and had covered around 98,000 miles. The relevant law requires the car to be of satisfactory quality and fit for purpose. However, it's reasonable to expect that with a second-hand car, parts of the car might already have suffered wear and tear and there's an expectation that the car will require more repairs and maintenance than, say, a brand-new car.

I've reviewed the information provided by Mr L. He's said that he had the steering rack repaired by the supplying dealer soon after he bought the car. I can see that when the car was taken for an MOT in March 2025, two major faults were identified, being the drive shaft joint and the offside front brake disc, and two issues were marked as advisories, being the nearside front brake disc and the nearside front tyre.

Mr L has explained that he had the faults repaired in March 2025 and the car subsequently passed its MOT.

Mr L raised his disputed transaction claim with Halifax on 24 March 2025.

In cases where it is asserted that a car wasn't of satisfactory quality at the point of sale, an independent inspection report can be useful to establish whether the faults were present or developing at the point of sale, thereby rendering the car of unsatisfactory quality, or whether the faults developed due to general wear and tear commensurate with the age and mileage of the car. It's difficult to establish a breach of contract without this type of information.

I can see that Halifax asked Mr L if he'd obtained an independent report, but he didn't have one. Nor was it possible to obtain one because by the time Mr L raised his claim with Halifax, he'd already had the car repaired.

Having reviewed the available information, I agree that there were faults with the car. And clearly the fact that the car failed its MOT meant that it wasn't roadworthy in March 2025. However, Mr L had owned the car for almost a year by then, and there's no evidence to suggest that there were faults with the drive shaft or the brake discs at the point of sale in April 2024.

I'm aware that the supplying dealer repaired a fault with the steering rack soon after the point of sale but this isn't related to the faults which presented at the MOT in March 2025. So I can't fairly conclude that the faults which were identified in March 2025 were present or developing at the point of sale.

I appreciate that it's frustrating when things go wrong with cars and I acknowledge that Mr L hadn't covered much mileage in the time he'd had the car. However, as I've said above, there's a reasonable expectation that a second hand car will require repairs and maintenance due to the component parts suffering general wear and tear. In the absence of any evidence that the faults with the drive shaft and brake discs were present at the point of sale, I can't fairly conclude that there's evidence to suggest that the car wasn't of satisfactory quality when supplied, or that there's been a breach of contract.

I've thought about whether Halifax handled the Section 75 claim fairly. On the information and evidence that Halifax had before it, I think the decision to reject the Section 75 claim was reasonable. Therefore I won’t be asking Halifax to do anything further.

My final decision

My final decision is that I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 13 October 2025.

Emma Davy
Ombudsman