

The complaint

Mr A complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) has treated him unfairly about a transaction on his credit card for car repairs.

What happened

In October 2024, Mr A paid a total of £1,086 to a merchant, who I'll call M, to have repairs done on his daughters' car. £586 of this amount was paid on Mr A's NatWest credit card, and £500 was paid in cash.

On collection of the vehicle following repair, the engine management light came on. Unhappy with the work done by M, Mr A raised a complaint and asked for a refund. M refused to provide one. The car was then taken to another garage who said that the previous work had been poorly done. Mr A paid further funds to the second garage to have the issues corrected.

Mr A brought a payment dispute to NatWest. NatWest raised a chargeback for the £586 paid on the credit card and this dispute was successful, so Mr A received a refund. NatWest then considered the £500 paid in cash under Section 75 of the Consumer Credit Act (Section 75). It said as the invoice from M was in Mr A's daughters name, the relevant debtor-creditor-supplier (DCS) relationship required for a claim to be made under Section 75 was not in place. NatWest therefore felt it had no responsibility to consider the claim any further.

Mr A brought his complaint to our service. He said he contracted with M to conduct the works and paid for it, and his daughter was not involved. He asked for a refund of the £500 in cash, and other additional losses he had suffered as a result of the work conducted by M on the car. The total amount Mr A is seeking to recover is £718.

Our investigator reviewed the complaint and said he agreed the relevant DCS relationship is not in place. He reviewed the documentation available and as it was all in Mr A's daughter's name and she had engaged with M by sending it an email, he felt she was the contracting party and so the DCS link had been broken. Our investigator therefore concluded NatWest hadn't treated Mr A unfairly when reviewing his claim.

Mr A was unhappy with this outcome and asked for an Ombudsman to consider his complaint. He said that he was the one who entered negotiation and discussion with M regarding the work that had been done, and paid for it. He added that his daughter only spoke to M once the work had been completed. Mr A questioned the reliance on an invoice which was dated well after the work was completed to determine the basis of who was contracting with M and maintained that under contract law, he had formed the agreement with M and so the relevant DCS relationship exists between him, M and NatWest. So, the complaint has now 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.

I would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

Before the claim can be considered, there are some technical requirements which need to be met. Section 75 says:

"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."

This means that, in certain circumstances, if Mr A paid for goods or services using certain types of credit (even in part), and there was a breach of contract or misrepresentation by the supplier of those goods and services, the creditor can also be held responsible.

To decide whether Mr A's claim meets the requirements of Section 75 as set out in the Consumer Credit Act, I need to consider firstly, whether there is the required relationship between the debtor, creditor and supplier. Put simply, I need to determine whether the person who owns the credit card account has a claim for breach of contract or misrepresentation against the company which was paid using the credit card.

Mr A paid M using his NatWest credit card and cash. However, based on the evidence available, Mr A doesn't have a contract with M for services rendered. The only documentation available is the invoice, and therefore this forms the contract. I say this because it sets out the work to be done and the cost. So, this is the agreement between the parties. However, this document is in Mr A's daughters name rather than his. So, she is the contracting party. This means that it is the daughter who has a contract with M and would have any potential ability to raise a claim for breach of contract, but for the payment having been made by Mr A.

I understand Mr A has raised that the first set of repairs suggested was declined by his daughter, and that the invoice was produced after the work had already been completed. This doesn't make a difference for the purpose of establishing whether there is a DCS relationship. It is common for garages to have conversations about the work to be done following their review and usually the only paperwork that is produced is the invoice. Therefore, who is named on the invoice becomes exceedingly important.

This car belongs to Mr A's daughter. Her name is on all the documentation we have received regarding the faults with the vehicle and the repairs done on this complaint bar some emails that Mr A sent to M. I do not doubt Mr A's version of events but having considered all the information provided on this complaint, it seems that Mr A engaged M to perform repairs on his daughter's car, and his daughter was listed on the invoice as the customer. Unfortunately, for the purpose of Section 75, this means a fourth party was introduced into what is required to be a distinct three-party arrangement between Mr A, M and NatWest. This arrangement is important in order for us to be able to hold NatWest liable under the connected lender liability provisions afforded by Section 75.

I appreciate this will be disappointing for Mr A and I understand he feels his claim is not being considered on a technicality but also feels strongly that contract law suggests he does have the required DCS relationship. But we need to consider the matter more simply. The question is whether NatWest's customer engaged the services that are being disputed. With the paperwork indicating his daughter is the customer, the answer is no.

Therefore, having reviewed all the information available, I do not find that Mr A is able to bring a valid claim under Section 75 as the criteria for the application of this legislation has not been met. I therefore cannot comment on the issues he has experienced with M and it follows that I don't find that NatWest has treated him unfairly with regard to his claim.

Lastly, Mr A questioned why his chargeback succeeded. Chargeback disputes do not have the same DCS requirements in order to proceed. NatWest raised the claim on his behalf, and it was successful. I am pleased to see that this means Mr A has been able to recover some of his costs. But this does not mean that NatWest was also obligated to refund the further losses as these could only be considered under Section 75 and I find the claim has been dealt with fairly under this umbrella.

My final decision

My final decision is that I do not uphold Mr A's complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 October 2025.

Vanisha Patel
Ombudsman