

The complaint

Mr W complains that Vanquis Bank Limited didn't agree to refund him after he made a claim for incomplete renovation works.

What happened

On 13 April 2023 Mr W and his partner accepted a quote from a company I'll call 'K' for renovation works to their home. K's quote for the work was £111,240 to be paid in instalments, with 50% being paid upfront, 25% being paid halfway through the project, and the remaining 25% to be paid when the project was completed. On 26 May 2023 a £20,000 deposit was paid, and work began at the end of that month. Works were to be completed by September 2023, but this deadline was missed.

By December 2023 works were ongoing, Mr W had an outstanding balance of £3,500 left to pay and K provided him with an invoice for this. In January 2024 works stopped as K said they had cash flow issues. On 12 January 2024 Mr W contacted Vanquis to raise a dispute for the following sums paid to K using his Vanquis credit card.

- 7 July 2023 - £500
- 30 October 2023 - £2,000
- 18 December 2023 - £1,500

At the same time Mr W's architect attempted to mediate a solution and K returned to site in February 2024. However, Mr W says K left site again and there was no further communication with them after 13 March 2024. Mr W has told us K failed to complete all the agreed works and went out of business in June 2024.

Mr W has said this has left him over £20,000 out of pocket and so he has attempted to reclaim some of his losses through Vanquis.

Vanquis considered Mr W's claim under section 75 of the Consumer Credit Act 1974 (section 75). It considered the information Mr W provided but explained that the cost of the works fell outside the financial limits allowed and so it said it couldn't help with the claim.

Although Vanquis raised a chargeback, K defended this, and Vanquis chose not to pursue it any further.

Unhappy with Vanquis's response, Mr W referred the case to this service. One of our investigators considered the case and didn't think Vanquis had acted unfairly.

Mr W didn't agree with our investigator's view, so his complaint has been passed to me for review and decision.

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.

This includes the comments received following my provisional decision. I issued a provisional decision saying:

*“As Mr W made payment using his credit card, both the chargeback process and section 75 were available to Vanquis when considering the claim. So, I’ve considered both here.
Chargeback claims*

Whilst chargeback provides an avenue for a bank to raise a dispute with a merchant where something has gone wrong, it doesn’t cover all eventualities, it isn’t a legal right and isn’t guaranteed to get a customer a refund. But I’d consider it good practice for a credit provider to attempt a chargeback where the circumstances are appropriate and there is a reasonable prospect of success. Strict rules and timeframes apply to chargebacks, and these are set out by the card scheme operator (in this case VISA) and can’t be changed by either Vanquis or this service.

I can see that Vanquis did attempt a chargeback in this case. But K defended the claim saying that most of the work had been paid for and completed, that any outstanding items were on site and accessible to Mr W, and that Mr W hadn’t yet made the whole payment as agreed. K also provided Vanquis with the terms of a contract stipulating a 14-day cooling off period where Mr W could have cancelled the works and received a refund of his deposit.

I can understand Mr W’s frustration given he’s said no contract was ever given to or signed by him. But I must consider that the chargeback process isn’t a litigation process where each party can rebut the others evidence in turn. I must also consider that it isn’t clearly defined what the payments Mr W made between July and December 2023 were specifically for. As we can’t be certain what the payments were for exactly, it’s hard to prove under the chargeback rules that the merchant failed to deliver the item or service, or that the item or service was defective.

So even if I accept Mr W didn’t have sight of the contract K provided to Vanquis, I’m not persuaded on the evidence available that the chargeback would have had a reasonable prospect of success.

Given this, I don’t think Vanquis was unreasonable in its decision not to escalate the claim to arbitration with VISA.

Section 75 Claims

Section 75 makes the provider of credit (Vanquis in this case) equally liable where there is a case of misrepresentation or breach of contract by the supplier of goods or services financed by the credit. However, it will only apply when the criteria for a section 75 claim are met. Section 75 won’t apply to any single item where the supplier has attached a cash price of £100 or less, or more than £30,000. In addition to this there needs to be a direct relationship between the debtor, creditor, and supplier otherwise known as a DCS agreement.

I can’t see that a contract between Mr W and K was signed but I can see that a quote was provided to Mr W by K and that it appears this was accepted. I can see that Mr W used his Vanquis credit card to Make payments directly to K. Given this, I have no concerns about the DCS agreement, and I’m satisfied that the case meets this part of the criteria for a valid section 75 claim.

However, I must also consider the cash price and whether this meets the criteria for a section 75 claim. Having considered the contract carefully, I can see the cash price quoted is

£111,240. So, I don't think it falls within the limits set for a Section 75 claim. I appreciate that Mr W isn't looking to recover this amount but I'm still of the opinion that the claim fails this test and I'll explain why.

I think the main issue here is what can be considered as a single item under Section 75. I can see the quote is itemised, and from the copies of communications provided, I understand some payments were made directly to tradespeople. But I don't agree these should be considered as separate items. I say this because it's clear that all the things listed under the quote were integral to the renovation works being carried out, which is what Mr W had accepted the quote with K for. So, I think it's fair to conclude it's the renovation that constitutes the single item here. Mr W says that in his view the work for the doors was a separate contract. This would mean that the value of the contract reduced and fell within the limits set out for a valid section 75 claim.

I understand Mr W's point of view here, but I haven't seen anything that persuades me there was a separate contract for doors linked to the amounts Mr W wants refunding.

I've reviewed the communications between K and Mr W alongside the invoices and dates of payment. Having done so, I can see that prior to 18 December 2023, there was some communication about the doors, but it's unclear what doors were being referred to, I can't see that this went beyond the original quote, or that doors were quoted for under a separate agreement. There was no specifically priced quote for doors in the original agreement or elsewhere. So, even if I were to accept there was a separate contract for the doors (which I'm not satisfied there is), I can't be sure what doors were to be provided, whether they were provided as agreed, what the cost of these were, when this was paid, and whether the payments Mr W made using his Vanquis credit card were specifically for the doors.

There is some communication after 18 December 2023 about doors but again, I can't see that this was effectively a separate agreement, or that the discussion related to the payments already made.

So, I think the supply and installation of the doors formed part of the overall work required to complete the renovation which is what Mr W had accepted K's quote for. Given this, I think it's reasonable to conclude it's the renovation that constitutes the single item here and that there wasn't a separate contract with K for the provision and installation of doors.

As I'm satisfied the single item here is the renovation, this means it's the total price of the quote that's relevant here when considering the parameters of section 75. So, as the total price given for the renovation works exceeds the limit of £30,000 set out in section 75, it follows that I'm satisfied the claim doesn't fall within the financial limits allowed under section 75.

Although neither party has mentioned alternatives to section 75, to ensure fairness, I have gone on to consider whether either section 75A or section 56 of the CCA would help Mr W in this case.

Whilst section 75A allows for claims where the cash price of the goods or service exceeds £30,000. These goods or services must have been provided under a linked credit agreement – so a credit provided for a specific purpose and where the funds cannot be used for anything else. Mr W paid using his credit card and this wouldn't be classed as a linked credit agreement. So, I'm satisfied the criteria for a valid claim under section 75A haven't been met.

Section 56 of CCA doesn't set out any financial limits but it is only concerned with claims of misrepresentation and doesn't apply where there has been a breach of contract. I've seen

nothing here to say that K made any misrepresentations that induced Mr W into entering a contract with them. The reason the claim has arisen is that K have ceased trading and are no longer able to complete the renovations. So, I'm satisfied section 56 doesn't apply here.

I understand what a disappointment this must be to Mr W and I'm sorry that he has found himself out of pocket and with work left to complete. However, I must decide whether I think Vanquis has acted unfairly in its consideration of his claim. And on the evidence available I'm not persuaded Vanquis has acted unfairly in this case."

Vanquis didn't respond to my provisional decision, but Mr W did. He's said that the external doors did form a separate contract with K and has provided some emails showing the choice of doors he had picked from a third-party website. Unfortunately, I can't see that this amounts to evidence of a separate contract for the doors. But instead demonstrates an exchange about the type of door that Mr W might want and the dimensions that would be required for this. So, on the evidence available I'm not persuaded there was a separate contract for the doors.

Mr W also pointed out that the project was unfinished because K walked away from the job shortly before ceasing to trade. So has suggested the fact that K took money from Mr W and then failed to complete the job may amount to misrepresentation. But I don't agree. For a claim about misrepresentation to succeed, there must be a misrepresentation of fact, at the point the contract was entered into, that induced the other party to enter into the contract. Having considered all the information provided by both parties, it appears that ultimately K ran into cash flow issues that it didn't recover from, and I've not seen any evidence (nor was any presented to Vanquis) that K made a misrepresentation of fact about its financial situation and its ability to complete the work at the inception of the contract. So, it's not clear enough to me that there was a qualifying misrepresentation here.

I understand this won't be the answer Mr W had hoped for, however, I've carefully considered all the available evidence and his further comments. But I haven't seen anything in his further submissions that would lead me to change my provisional decision.

My final decision

For the reasons I've set out, I don't uphold this complaint.

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

Charlotte Roberts
Ombudsman