

The complaint

Mrs P complains that Barclays Bank UK PLC trading as Tesco Bank declined her disputed transaction claim.

What happened

In January 2024 Mrs P purchased a second-hand car from a dealership and paid £4350 using her Tesco Bank credit card.

In October 2024 Mrs P took the car for an MOT. The MOT revealed several defects which required repair. Mrs P complained to the dealership. She said the defects must've been present at the point of supply because she hadn't driven the vehicle very much since the date of purchase.

Unable to resolve matters with the dealership, Mrs P complained to Tesco Bank.

Tesco Bank reviewed the claim under the chargeback scheme but determined that as over 120 had passed since the date of purchase the claim had been brought out of time. Tesco Bank then reviewed the claim under Section 75 but found no evidence of a breach of contract or a misrepresentation, so it declined the claim.

Mrs P remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that Tesco Bank hadn't acted unfairly by not processing the chargeback because it had been brought after 120 days. In relation to Section 75 he investigator said he hadn't found any evidence to suggest that the dealer had made a misrepresentation, and that whilst it was clear that the car had some issues, there was no evidence that these were present at the point of sale and therefore no evidence that there had been a breach of contract.

Mrs P 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 Mrs P but I agree with the investigators opinion. I'll explain why.

Chargeback

A chargeback is a reversal of a card transaction which allows a cardholder to reclaim money from a retailer when a purchase goes wrong. It's a consumer protection mechanism initiated by the cardholder's bank in response to a dispute over a transaction due to issues such as non-delivery of goods, faulty goods, duplicate charges or fraudulent activity.

The chargeback scheme operates under rules set by the card network. Mrs P's card was part of the Mastercard network so it's the Mastercard rules which apply here.

Chargeback is a voluntary scheme, and banks aren't obliged to raise a chargeback. However, this service would expect a bank to raise a chargeback if there was a reasonable chance of it succeeding.

The chargeback rules state that claims must be brought within 120 days from the transaction date. In Mrs P's case, she brought the dispute after this time. I'm therefore satisfied that Tesco Bank didn't make an error when it declined to progress the chargeback claim.

Section 75

In certain circumstances, Section 75 gives a consumer a right to claim against the supplier of goods or the provider of credit where there has been a breach of contract or a misrepresentation by the supplier.

A misrepresentation is an untrue statement of fact which induces the consumer to enter into a contract.

Mrs P has said that the dealer misrepresented the car to her because they described the car in the advert as being in excellent condition and roadworthy. She says this turned out not to be true because the car had extensive mechanical and structural faults.

I've reviewed the advert provided by Mrs P. the advert doesn't specifically state that the car is "in excellent condition and roadworthy" but it does advertise the vehicle in a positive light. However, having reviewed the advert, I'm unable to say that it contains a false statement.

Based on what I've seen, I don't think Tesco Bank acted unreasonably when it determined that there was no evidence of a misrepresentation.

A breach of contract is where one party to an agreement fails to meet its obligations to the other. In Mrs P's case, the dealer was obliged to supply a car which was of satisfactory quality and fit for purpose at the point of sale.

The relevant law says that where a fault occurs within the first 6 months after the point of sale, there's a presumption that the fault was present or developing at the point of sale. After 6 months the onus is on the consumer to prove that the car wasn't of satisfactory quality at the point of sale.

I've reviewed the available evidence about Mrs P's car. The car was MOT'd in October 2023. At this point, the car had covered around 48,978 miles and passed the MOT with no advisories. Mrs P purchased the car in January 2024. The mileage was around the same as when the car had been MOT'd – 48,981 miles. When Mrs P took the car for an MOT in October 2024 – around 9 months after the point of sale – the mileage was 55,433. So Mrs P had covered around 6,452 miles during the time she'd had the car.

I appreciate that there were several issues identified with the car when Mrs P took it for MOT in October 2024. However, I don't think there's enough evidence to show that these issues were present at the point of sale 9 months earlier. I say this because the MOT carried out in October 2023 was a pass with no advisories. And the car only covered 3 miles between the date of this MOT and the date it was sold to Mrs P. It's very unlikely that the issues would've developed in this 3-month period. Further, it's not unreasonable to expect that a second-hand car will require more maintenance and repair than, say, a brand-new car. Mrs P has covered around 6,452 miles in the car before taking it for an MOT so it's reasonable to

expect that the car suffered some wear and tear during this time.

Overall, having regard to the available evidence and taking into account the age and mileage of the car, I don't think there's enough to show that the car wasn't of satisfactory quality at the point of supply, And therefore, there's not enough evidence to show a breach of contract. For this reason, I don't think Tesco Bank acted unreasonably by declining the Section 75 claim.

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 Mrs P to accept or reject my decision before 7 November 2025.

Emma Davy
Ombudsman