

The complaint

Mrs C complains Lloyds Bank PLC rejected her claim for a refund, for a washer dryer bought using her credit card.

What happened

In September 2024, Mrs C bought a washer dryer from a company I'll call "M", paying with her Lloyds credit card, which was delivered in October of the same year.

Mrs C says within weeks of delivery there was a fault with the washer dryer and after speaking to M, was referred to the manufacturer who was able to temporarily resolve the problem.

In March 2025, Mrs C says the fault was ongoing, and says having spoken to M, was again referred to the manufacturer who said it would charge a call out fee. Mrs C was unhappy to accept this and says M should have arranged the repair and covered any call out costs.

Having not been able to resolve the issue with M, Mrs C contacted Lloyds for help in getting a refund. Lloyds considered whether it was liable under Section 75 of The Consumer Credit Act 1974 ("Section 75") but said as the goods were for a rental property and Mrs C wasn't benefitting directly from them, Section 75 didn't apply.

Lloyds didn't change its answer when Mrs C complained, so she referred her concerns to our Service.

One of our Investigator's looked into what happened and thought Lloyds was wrong to say Mrs C couldn't make a Section 75 claim for the washer dryer. However, in considering the circumstances of the claim, our Investigator didn't think Mrs C had done enough to demonstrate there was a fault, to say there was a breach of contract, that would then make Lloyds liable under Section 75.

Therefore, our Investigator didn't recommend Lloyds do anything further. Mrs C disagreed with our Investigator's conclusions. She said it was for M and in turn Lloyds to disprove the existence of the fault or carry out a report, rather than placing the onus on her as the consumer.

As the matter wasn't resolved, the complaint has 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've given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Section 75

Section 75 sets out that, in certain circumstances, if Mrs C paid for goods or services, in part or wholly on her Lloyds credit card, and there was a breach of contract or misrepresentation by the supplier (M), Lloyds can be held jointly responsible.

There are conditions that need to be met for Section 75 to apply. One is that the item purchased must fall within set financial limits, I'm satisfied Mrs C's claim, meets these limits. Another is that there needs to be a 'debtor-creditor-supplier' (DCS) agreement in place between the parties to the transaction.

Lloyds considered Mrs C's claim and said as the washer dryer was for a rental property, and not her directly, it doesn't consider she's eligible to claim under Section 75 for this purchase – which could be to say it doesn't consider there's a DCS agreement in place.

Added to this, Lloyds says as the purchase was for businesses purposes, it isn't eligible for Section 75 protection.

While I'm not necessarily persuaded of this – as The Consumer Credit Act 1974 and more specifically, Section 75, doesn't contain any wording that suggests Mrs C is prevented from making a claim against Lloyds on the basis that the claim is connected to a purchase towards a rental property she owns – had Lloyds considered Mrs C's claim further, I don't think it would have concluded it was liable to refund the cost of the washer dryer. I've explained below why I think this.

Is there evidence of a misrepresentation or breach of contract?

Had Lloyds considered Mrs C's claim further, the Consumer Rights Act 2015 ("CRA") is also relevant. The CRA implies terms into the contract that goods supplied will be (amongst other things) of satisfactory quality. The CRA also sets out what remedies are available to consumers if statutory rights under a goods (or services) contract are not met.

The CRA sets out that goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer, must be taken not to have conformed to it on that day. Unless, it's established the goods did conform to the contract on that day or that the application is incompatible with the nature of the goods or with how they fail to conform to the contract.

For a claim to be upheld under Section 75, there needs to have been a breach of contract or misrepresentation. I have nothing to suggest that the dryer was misrepresented to Mrs C when she bought it and so I've focused on whether Mrs C provided enough evidence to show there had been a breach of contract.

I've also thought about what the expectations are under the CRA, and I've considered the guidance from the Department for Business and Innovation & Skills¹.

This sets out, within the first six months from delivery once a fault is established, the law generally assumes that the fault was present at the time of delivery, unless the trader can prove otherwise.

Mrs C said that she reported a fault with the dryer within six months of purchase and gave M numerous opportunities to arrange an inspection of the washer dryer, however here I'm

¹ <https://www.businesscompanion.info/sites/default/files/CRA-Goods-Guidance-for-Business-Sep-2015.pdf>

considering what the courts might say if Mrs C were to make a like claim to Lloyds for breach of contract.

It's accepted that Mrs C had problems with the washer dryer in November 2024 and was able to resolve this with a troubleshooting video call with the manufacturer, but I haven't seen any evidence of the cause of this problem.

So, I've considered the documentary evidence. I don't think this clearly shows that a repair was undertaken and I think the evidence is inconclusive in regard to a fault being repaired. Based on what I've seen I think there's insufficient evidence to support that the dryer was faulty, wasn't durable or was defective when Mrs C reported an issue in November 2024 and that a repair was carried out.

Mrs C contacted M a few months later to report that the dryer wasn't working as she expected again. M told her to contact the manufacturer, but Mrs C was unhappy to be told it may charge a call out fee. She said that as the dryer wasn't working properly when she first reported issues and the same problem recurred, she wanted her money back.

However, I haven't seen enough to support that there was sufficient evidence of a recurring fault or that this was the same issue Mrs C said she had earlier. Without sufficient evidence of this I don't think there's enough to conclude that there's been a breach of contract or that Lloyds is liable under Section 75.

My understanding is Mrs C no longer has the washer dryer, so I think the options are very limited for a successful Section 75 claim. This is because she can't have the dryer inspected to verify the fault, or have it repaired. Additionally, she can no longer reject the dryer and give it back. Mrs C hasn't also provided us evidence that she is due a price reduction or costs for damages. Therefore, I'm not persuaded it's fair to ask Lloyds to provide a remedy under the CRA, including a refund of money, as Mrs C no longer has the dryer and there's insufficient evidence to demonstrate that the dryer wasn't of satisfactory quality.

Overall, while I'm not persuaded by Lloyds' reason to decline Mrs C's Section 75 claim, had it considered it further, I think it would have reached the same conclusion based on the available evidence, that it wasn't liable to provide a refund. As a result, I haven't found Mrs C has lost out as a result of Lloyds' actions and won't be asking it to do anything further in relation to her claim.

Chargeback

I've also thought about whether Lloyds could have helped Mrs C get a refund of money using other avenues such as chargeback, which is a means of asking the merchant (M) for a refund via rules set by the card scheme.

There are strict time limits to raising a chargeback, including that a dispute must be raised within 120 days of receiving the goods, if there are concerns about the quality of the goods. Lloyds was first made aware of Mrs C's concerns more than 120 days after she'd received the washer dryer, so wouldn't have been able to ask M for a refund through this process.

Conclusion

In conclusion, while I appreciate this won't be the answer Mrs C is hoping for, I won't be asking Lloyds to do anything further in relation to this complaint. While I'm not persuaded Lloyds gave the correct reason to decline her Section 75 claim, had it considered this further, I don't think it would have concluded it was liable for the reasons I've given above. As a result, I won't be asking Lloyds to do anything further in relation to this complaint.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 7 November 2025.

Christopher Convery
Ombudsman