

The complaint

Mr A complains that Tesco Personal Finance Limited hasn't fairly assessed a claim he made under Section 75 of the Consumer Credit Act in relation to some transactions he made on his credit card account.

What happened

Mr A says he used his Tesco credit card as part payment of some boiler and plumbing works to be carried out on one of his properties (Property A). The total amount charged to Mr A's Tesco credit card for the work was £2,500. The rest of the cost of the work was funded using a different credit card, with a lender I'll refer to as V. Mr A used the same supplier to fit a boiler at a different property (Property B), and he says that this payment was funded using another credit card, with lender S. Mr A also made a payment via his bank from his current account.

Mr A says that the work carried out on Property A was of a very poor quality. He says the work was so poor it caused leaks to the property, causing serious damage to both his property and the neighbouring property.

In relation to Property B, Mr A says the supplier didn't attend the property and carry out the work they'd been paid to do.

Mr A has approached the police about the supplier – given the dangerous and unfinished work at Property A, and work not carried out at all at Property B. This matter appears to be ongoing.

Mr A says that the supplier's company has since been shut down, and this happened before he could complain to it. As a result, Mr A contacted Tesco to make a claim under Section 75 of the Consumer Credit Act ("Section 75").

Ultimately, Tesco agreed to refund Mr A the amount he paid the supplier on his credit card, it refunded him the cost of obtaining a report, the cost of the hire of dehumidifiers and a third of the cost Mr A couldn't reclaim from his bank account. It made a total payment to him of £5,150. And it said that Mr A should approach his other credit card providers to make a like claim, as they are jointly liable for the actions of the supplier.

Mr A was unhappy with how Tesco suggested to settle matters. He said that its offer didn't go far enough in recognising the consequential losses he had suffered as a result of the poor work – he provided evidence he says shows the cost of the remedial work which is required to put right the damage caused by the supplier, which shows costs of £67,675.50.

Mr A also provided a copy of a response from S, this showed that S had agreed to refund the payments he had made on his credit card with it. S also agreed to refund the full amount of the money Mr A lost from his bank account. Mr A appears to have accepted S's offer in full and final settlement of his claim about S. Up until the point of considering this complaint, Mr A hasn't provided evidence of any outcome of a claim against V.

Tesco didn't think it had done anything wrong when considering Mr A's Section 75 claim and therefore felt that what it had already offered was fair.

An Investigator considered Mr A's complaint, but they didn't uphold it, as they felt that Tesco had fairly assessed the Section 75 claim. Overall, the Investigator said that they couldn't determine a debtor-creditor-supplier (DCS) agreement. They also explained that there was no evidence by way of contract to see what Mr A had paid the supplier for. They didn't think it was clear which tradesperson had caused the damage as there were multiple people working at the property at the same time. Some remedial works carried out by a joiner don't appear to relate to the damage caused by the flooding. The report provided by the joiner – which supports Mr A's claim that the damage was caused by the supplier, and the work required to put things right, isn't on headed paper and no company register number has been provided. Overall, they explained that they couldn't conclude that there had been a breach or misrepresentation in contract, because they hadn't seen a copy of the contract to understand what works were included as part of the overall payment – and because of this, they couldn't conclude what consequential losses Mr A has incurred as a result. They explained that Tesco had accepted the claim and refunded some money in good faith – the Investigator felt Tesco had acted fairly given the evidence available, and so they didn't think it needed to do more to put things right.

Mr A didn't agree with the Investigator's view. He provided a long and detailed report – mostly reiterating points he had made previously but also including information about how the damage from the leak could have affected parts of the property where the joiner had carried out remedial work.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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.

Having considered all of the available evidence, I don't uphold Mr A's complaint. I appreciate this decision will come as a disappointment to him, as I can see he has been through a very difficult time as a result of the works on his properties. I will explain how I have reached my decision below.

Before I do that, it's worth noting here that I'm aware I have summarised Mr A's complaint in far less detail than he has. I don't intend this as a discourtesy, but merely to reflect my informal role in reaching an outcome. This also means I haven't commented on everything Mr A has said, or all the evidence he has provided. However, I can assure Mr A that I have seen everything he has sent before reaching this outcome.

Mr A has clearly had a lot of difficulty with the supplier, and I am genuinely sorry to have read of what's happened. In coming to my decision, I don't wish to in anyway downplay or disregard what Mr A has been through with the supplier – it has clearly been a very stressful and challenging time for him. But being independent means, I must take a step back and consider the evidence provided by both parties in coming to what I think is a fair and reasonable outcome. And because Tesco aren't the supplier, I can only consider whether it acted fairly and reasonably in light of its role as the finance provider.

In deciding if Tesco has acted fairly and reasonably, I have thought about the ways it could have helped Mr A get a refund for the consequential losses he is now claiming for. In this case, I consider Section 75 of the Consumer Credit Act 1974 ("Section 75") to be relevant.

The chargeback process can also sometimes be relevant in situations where a consumer is trying to get a refund, but because Mr A's claim here is for consequential losses, which the chargeback rules doesn't generally cover, I don't think it unreasonable that Tesco didn't submit a chargeback claim for him.

Section 75

Section 75 allows Mr A to make a claim against Tesco in respect of goods and/or services he paid for using his credit. For Section 75 to apply, certain criteria need to be satisfied relating to things like the parties to the transaction, the way the payment was made and the cost of the goods or services. I'm not satisfied this criteria has been met.

I say this because one of the conditions which needs to be met for Section 75 to apply to a purchase, is that there needs to be what is called a debtor-creditor-supplier ("DCS") agreement in place. This describes the relationship between the three parties in a transaction where a form of credit is used to pay for goods or services, as is the case here. The three parties are: the consumer that has bought goods or services (the debtor), the business that has provided the money for them to do this (the creditor, Tesco), and the party that provides them (the supplier). But in this case, neither myself nor Tesco has seen a contract, so I don't know who the parties to the contract were. While I accept that it is likely Mr A, I don't have the evidence so show this. That being said, this particular point doesn't make much difference to the outcome of this case, as even if I were to accept there was a DCS agreement in place, there isn't enough information available for me to say that Tesco has acted unfairly or unreasonably in how it has handled Mr A's claim.

For Section 75 to apply, there are also thresholds for the cost of the goods and/or services – the goods or services must be more than £100 and less than £30,000. Again, because there's no contract, I can't be certain that the contract Mr A entered into was for amounts within this limit. Again, I accept that it is likely, but I don't have evidence to be certain of this.

Tesco has already agreed to pay Mr A: the amount paid to the supplier on his Tesco credit card, a third of the losses he incurred (but couldn't recover) from his bank, the cost of hiring dehumidifiers and the cost of a report. It has done this essentially in good faith. I say 'in good faith' because for a Section 75 claim to be successful, there would need to be evidence of a breach of contract, or misrepresentation. I haven't seen such evidence in this case. That's because I have seen no evidence of an agreement in place between the parties, showing a breakdown of the costs of the goods and/or services Mr A paid for. And I'll reiterate again that because of this, I can't fairly conclude that there has been a breach in contract or a misrepresentation.

I would also need to be able to find that the supplier didn't carry out the service he was paid to do with reasonable care and skill and was responsible for the consequential losses Mr A is now claiming for. But because I simply don't have any evidence of what Mr A had paid for by way of contract between the parties, I don't know whether the works the supplier carried out that weren't allegedly carried out with reasonable care and skill formed part of that contract.

In addition to what I've said here, Tesco aren't the only lender that might be jointly liable for the actions of the supplier (if a contract was available). I say this because Mr A used other cards to make payment to the supplier, and neither Tesco nor this Service has been provided with the outcome of these investigations. So even if there was a contract in place, without being able to understand what other lenders have done to assess their liability under Section 75, it would be difficult for me to conclude that Tesco needs to do more here.

So, I'm sorry to disappoint Mr A, but for the reasons I've set out above, I can't reasonably conclude that Tesco has acted unfairly when assessing his claim. And based on the evidence it had available to it, I think it has already done more than I could have reasonably expected it to.

My final decision

For the reasons set out above, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 January 2026.

Sophie Wilkinson
Ombudsman