

The complaint

Mr C complains Sainsbury's Bank Plc hasn't provided a refund for a transaction paid on his credit card, having made a Section 75 claim.

What happened

The background to this complaint is well known to both parties, so I won't repeat it at length here. As a brief summary in September 2022, Mr C paid a company I'll call "S", approximately £4,000 to carry out home improvements. Mr C paid via his Sainsbury's credit card. Included in this price was that S would provide a 10-year insurance backed guarantee ("guarantee") to cover the works carried out.

The works were completed in September 2022, however after much chasing Mr C hadn't received confirmation of the guarantee. Mr C was eventually provided a guarantee in May 2024.

In reviewing the guarantee, Mr C had concerns the completion date was wrong, and the stated scope of the works weren't specific, so contacted the broker that arranged the policy. Mr C says he was told due to these errors it was unlikely any claim would be accepted should he have to make one.

Mr C therefore made a claim under Section 75 of The Consumer Credit Act 1974 ("Section 75") to Sainsbury's, saying the full terms of the contract with S hadn't been provided and therefore asked for a refund of the transaction.

Sainsbury's considered Mr C's claim but didn't agree it was liable to refund the cost of the works he'd had carried out. It said that the main terms of the contract had been met, in that the home improvements had been completed. Sainsbury's acknowledged there had been problems with the guarantee but didn't agree a refund of the transaction was a proportionate resolution, as this would be considered betterment. Rather Sainsbury's said that should Mr C need to make a claim under the guarantee in the future, and this not be accepted due to problems with how it was set up, he'd be able to submit a Section 75 claim at that time.

Unhappy with Sainsbury's response, Mr C referred his concerns to our Service. I previously issued my provisional findings, which I've included below:

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.

Mr C's complaint relates to Sainsbury's handling of his Section 75 claim. Section 75 sets out that, in certain circumstances, if Mr C paid for goods or services, in part or wholly on his Sainsbury's credit card, and there was a breach of contract or misrepresentation by the supplier (S), Sainsbury's can be held jointly responsible.

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

I've therefore gone on to consider whether Sainsbury's response to Mr C's claim was reasonable.

Was there a misrepresentation or breach of contract?

To say there had been a misrepresentation, I'd need to be satisfied that a false statement of fact induced Mr C to enter the contract.

In considering what happened, I haven't found that to be the case here, while it took longer than it should have to provide the guarantee, and I appreciate Mr C is concerned about the validity of the guarantee, I haven't found that S made a false statement of fact to induce him into entering the contract.

Moving then to whether there was a breach of contract. Sainsbury's accepted the guarantee was likely void and our Investigator concluded this was a breach of contract; however, I'm not currently persuaded there's sufficient evidence to demonstrate this.

Mr C says that any claim under the guarantee is unlikely to be successful, therefore a valid guarantee hasn't been provided which is a breach of his contract with S.

While I appreciate Mr C is concerned about the validity of his guarantee should he need to make a claim in the future, here I must consider what the courts may say, should Mr C make a like claim against Sainsbury's under Section 75.

The starting position is that Mr C must evidence a breach of contract has occurred. I appreciate it took quite some time for the guarantee to be provided, which I'll come back to later, but Mr C has now been provided a guarantee, as set out in his contract with S.

Mr C has concerns about the scope of works and completion date stipulated in the guarantee and whether this renders the policy void. While I understand Mr C has spoken to the broker about this, I haven't seen anything in writing from the broker or more importantly the underwriter to conclusively say any claim under the guarantee wouldn't succeed based on the concerns he's raised.

Sainsbury's corresponded with the insurance broker about Mr C's concerns, the broker explained it wouldn't be able to amend the policy; however, it doesn't make any comment on the likelihood of a claim succeeding should one be submitted.

So, while I appreciate Mr C has concerns about the guarantee, I think Sainsbury's response to his Section 75 claim was reasonable. I say this as I don't think there's conclusive evidence a breach of contract has occurred, or that Mr C has suffered a loss at this stage. And I wouldn't expect Sainsbury's to accept a claim on what may hypothetically happen, should a claim need to be made in the future.

Sainsbury's has explained that should Mr C need to make a claim on the policy in the future and it be unsuccessful due to the concerns Mr C has raised, a Section 75 claim can be raised, which it'll consider at that point. In the circumstances I think this is a fair response, so haven't found Sainsbury's made an error in how it considered Mr C's claim or that it's liable to refund part or all of the purchase price at this time.

Time taken

I've then gone on to consider Mr C's concerns about the amount of time the matter has been ongoing.

It took from September 2022 to May 2024, for Mr C to be provided a copy of the guarantee, which I acknowledge is a considerable amount of time.

Mr C initially submitted a Section 75 claim to Sainsbury's due to the fact he hadn't received the guarantee. Sainsbury's was proactive in contacting S to understand what had happened. My understanding is S, who is a sole trader explained they'd been unwell, but did intend to provide Mr C a copy of the guarantee. I can also see Sainsbury's chased S for an update when the guarantee wasn't provided by dates promised. Sainsbury's was then reassured the guarantee would be provided, and no loss had occurred, I think it was pragmatic for Sainsbury's to allow time for S to provide this.

Mr C re-raised his concerns about the guarantee in October 2024. Following this Sainsbury's considered the evidence provided and contacted the relevant parties declining the claim in October and again in December 2024. While I appreciate Mr C is unhappy with the answers Sainsbury's has given, I haven't found it caused any unnecessary delays when delaying with his Section 75 claims.

Conclusion

In conclusion, while I appreciate this is unlikely to be the answer Mr C is hoping for, I don't think Sainsbury's needs to do anything further in relation to this complaint. I understand Mr C has concerns about the guarantee he's been provided, I think Sainsbury's response to his claim is reasonable, that should he need to make a claim under the guarantee during its period of cover and the claim be declined, he can submit a Section 75 claim which it'll review at that time. And while I acknowledge the matter has been ongoing for quite some time, I haven't found this to be due to any delays caused by Sainsbury's.

Sainsbury's confirmed it had no further comments in response to my provisional findings. Mr C reiterated that he hadn't received the services he'd paid for, namely the guarantee, so questioned why Sainsbury's didn't have a duty of care towards him.

The complaint was then passed back to me, so I can make my final 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.

Having done so, I haven't been provided any further information that would lead me to reach a different outcome to that set out in my provisional findings above, which now form my final decision.

I appreciate this answer will come as a disappointment to Mr C and note his further comments. I also understand Mr C's concerns about the guarantee should he need to make a claim in the future, but for the reasons I've explained above, I don't think there's sufficient evidence of a misrepresentation or breach of contract at this time to make Sainsbury's liable under Section 75. As a result, I've found Sainsbury's consideration of Mr C's claim to be reasonable.

I say this as Mr C has been provided a guarantee and I don't think Sainsbury's has been provided sufficient evidence to show that a claim on the policy would be declined, because of errors in how it was set up. Hopefully Mr C won't ever need to make a claim on the guarantee but Sainsbury's has explained that should Mr C find himself needing to do so in the future and have problems with a claim, he can contact it for support at that time, which I find reasonable. I therefore won't be asking Sainsbury's to do anything further at this time.

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 Mr C to accept or reject my decision before 13 November 2025.

Christopher Convery
Ombudsman