

The complaint

Mr C is unhappy that HSBC Bank Plc trading as first direct (“First Direct”) rejected his request for a refund on a credit card purchase.

What happened

In March 2020 Mr C bought a die cutter machine on his credit card for around £150 from an online supplier. Mr C says he bought the die cutter because the website said it could cut “up to eight layers in one pass” – and he needed the machine to cut eight layers of cardboard. To do this, he had to buy a Steel Contour Rule die for £15 from abroad, but he says the machine can’t cut this much cardboard without bending the blades. He also says it should’ve been provided with A4 cutting plates, but he received A5 plates instead.

Mr C requested a refund from his credit card lender, First Direct, in June 2025. First Direct considered the request as a claim under Section 75 of the Consumer Credit Act 1974 (S75 CCA), as it noted Mr C was out of time to request a chargeback.

First Direct reviewed the evidence from Mr C but rejected his claim. It said the descriptions of the die cutter didn’t say it could cut eight layers of cardboard, and it noted Mr C had taken over five years to raise his refund request. Mr C said it took this long because he struggled to find a suitable Steel Contour Rule die for the machine, and several UK die makers had told him the machine wasn’t fit for purpose. Unhappy, Mr C brought a complaint about the claim to our service.

Our Investigator didn’t uphold the case – she said the die cutter hadn’t been misdescribed as the packaging and website didn’t specify cardboard as a material suitable for cutting. She also found no evidence of misrepresentation. Mr C didn’t accept, saying the product description clearly states the machine could cut eight layers of chipboard so it was reasonable for a customer to conclude it would cut eight layers of cardboard. He asked for a 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.

S75 CCA

Mr C paid for the die cutter using his credit card. First Direct initially considered if a chargeback claim would be suitable for Mr C’s refund request, but it found Mr C made the claim too late to do this. Both parties agree on this point, so I’ve instead focused my decision on First Direct’s actions considering the claim under S75 CCA.

First Direct is a different business to the online supplier, so I can’t hold it responsible for everything that may have gone wrong. Instead, S75 CCA allows a borrower under a credit agreement to make a like claim against the credit provider if there’s either a breach of contract or misrepresentation by the supplier of the goods. There are certain conditions to be met for a valid claim to be considered, and I think they’ve been met here.

The Consumer Rights Act 2015 (CRA) also implies terms into the contract. This sets out that goods must be of satisfactory quality and as described, amongst other things.

Mr C says there has been a breach of contract because the die cutter can't cut through eight layers of cardboard in a single pass. He's provided evidence from the packaging, a screenshot from the online supplier's website showing the description of the item, and some emails with die manufacturers.

Mr C's main arguments are that the die cutter was either misrepresented, not as described or not fit for purpose. So, I need to decide whether there has been misrepresentation or a breach of contract by the online supplier.

Misrepresentation

I've considered if there's sufficient evidence to show the online supplier misrepresented the contract to Mr C. For the purposes of S75 CCA, misrepresentation is where there is an untrue statement of fact made by the supplier, that induces the consumer into entering the contract. This is relevant, as Mr C says he bought the die cutter because the website said it could cut eight layers in a single pass.

I've considered the photos Mr C provided showing the die cutter's box. The photos show the box says the die cutter "cuts up to 8 layers in one pass" and provides a list of materials the machine can cut. The list doesn't include cardboard but does include other materials Mr C says are a higher density. The box doesn't say what size plates the die cutter uses.

In addition, I've considered the website screen shot Mr C provided. While this isn't dated, I've accepted Mr C's testimony that this is how the online supplier described the machine when he bought it. The website says: "The machine cuts up to eight layers in a single pass when used with the Contour Steel Rule Dies and features a 8.5in cutting platform for ample work surface."

I don't think either the box or website says the machine can cut eight layers of every material listed – instead it says it can cut "up to" eight layers, without specifying which materials can be cut in this quantity. While I agree this statement could be clearer, I don't think it means the supplier has misrepresented the machine to Mr C. The website does describe the die cutter as "A4", neither the business nor I have seen evidence of the size of the plates provided to Mr C, or confirmation the machine he ordered was an A4 size.

While I understand Mr C took time to try and find suitable dies for the machine, the time taken means it's harder for First Direct to investigate his claim and consider evidence about the sale and the functionality of the machine. Overall, the longer it takes for a misrepresentation argument to be made, the less persuasive evidence is available. So, I think it's reasonable for First Direct to have concerns about the delay.

I therefore think First Direct has reached a fair conclusion when saying the online supplier hasn't misrepresented the die cutter.

Breach of implied terms

I've then thought about whether First Direct has fairly considered if there has been a breach of contract due to implied terms from the CRA. This is because Mr C says the die cutter was misdescribed by the online supplier. For the same reasons I've explained above, I don't think this is the case.

Mr C has provided emails from some die manufacturers he says proves the machine wouldn't be able to regularly cut eight layers at all. And he says he had to buy a special die

from abroad at a cost of £15, which still didn't cut the cardboard. I can understand his frustration here, but I've considered the description on the website does say the machine needed separate dies to cut "up to eight layers". I also don't agree the emails show a false statement of fact has been made about the machine's cutting functions. In one of the emails Mr C provided from an experienced die manufacturer, they agree the machine could likely cut eight layers of paper at a time – one of the materials on the box.

While I appreciate Mr C made a conclusion cardboard could be cut in volume because of the higher density materials listed, I think First Direct has reasonably considered that the box doesn't say the die cutter can cut eight layers of cardboard. So, I think First Direct has reasonably concluded the online supplier hasn't misdescribed the goods.

Finally, I've considered other relevant sections of the CRA in this case. Mr C says he intended to cut eight layers of cardboard with the machine, and as it can't do this it isn't fit for purpose. I think Mr C is likely referring to the CRA implying terms into the contract that goods will be fit for all the purposes for which goods of that kind are usually supplied. I've thought about the purpose of this die cutter – it cost around £150 and appears to be intended for household use, rather than business scale cutting and embossing.

I've also considered whether there is persuasive evidence Mr C informed the supplier of his intended use of the machine before purchasing it, but I've not seen this. As the evidence for this is lacking it makes Mr C's argument less persuasive, as I've explained already. This point was raised after First Direct gave an answer to the complaint, but even it had been included, I don't think it's likely First Direct would have reached a different conclusion due to the lack of evidence.

Having considered the circumstances of the case, I don't think First Direct has unfairly rejected Mr C's claim that there was a breach of contract under terms implied by the CRA.

Summary

I've carefully considered whether the evidence supports the online supplier misrepresented the goods to Mr C or breached the implied terms of the contract. I've not found sufficient evidence to support Mr C's claim.

Moreover, even if there was persuasive evidence of a breach of contract or misrepresentation by the supplier, I don't think Mr C would clearly be entitled to a full refund as he's requested. I say this because in line with the CRA I think it would be fair for a deduction to be made from any refund for fair usage. I don't know exactly how Mr C has used the die cutter but I'm aware he's had it for over five years. It may have therefore been fair for First Direct to consider making a significant reduction in the event of there being a breach of contract or misrepresentation.

I'm sorry to hear Mr C is unhappy with the die cutter he bought, but overall, I'm persuaded the answer First Direct gave for his S75 CCA claim was fair and reasonable.

My final decision

My final decision is that I do not 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 31 December 2025.

Hannah Dunkley

Ombudsman