

The complaint

Mrs B complains about the way NewDay Ltd trading as John Lewis Partnership Card, dealt with her claim under section 75 of the Consumer Credit Act 1974 (“Section 75”).

What happened

In April 2023, Mrs B used her credit card account with NewDay to make a part payment to a retailer, who I’ll call “X”, for the supply and installation of a brand new kitchen. The cost of the supply and installation of the kitchen was estimated by X to be around £42,300. This estimate covered the cost of the labour, kitchen units, worktops, fixtures and appliances.

About eighteen months later, Mrs B raised concerns with NewDay about the kitchen and the installation. She did this as Mrs B was aware she might be able to make a like claim against NewDay for a breach of contract by X. In the claim, Mrs B said several of the cupboards were chipped, there were problems with the sink and the cupboards and doors didn’t seem durable. NewDay asked Mrs B for some further information to start a Section 75 claim, but they say Mrs B didn’t respond.

However, in July 2025, Mrs B provided some information to NewDay, which allowed them to review what had happened. In their review, NewDay told Mrs B they could not progress things, as the cost of the kitchen was outside of the price limits of a Section 75 claim. They said a valid claim could only be considered for single items costing more than £100, but no more than £30,000.

Mrs B wasn’t satisfied with NewDay’s review and complained to them about how she’d been treated. In their final response to Mrs B’s complaint, NewDay apologised for their part in causing a delay and paid £50 to Mrs B’s credit card account. But, they said their review of Mrs B’s Section 75 claim was dealt with fairly. Mrs B didn’t accept NewDay’s response to her concerns about the outcome of the claim, and brought her complaint to this service.

One of our investigators looked into Mrs B complaint and found that NewDay had treated Mrs B fairly. He said NewDay’s view of the cost of the Kitchen and the Section 75 price limits was correct. The investigator also looked at whether NewDay could have considered a chargeback claim. But, he found that Mrs B had brought her concerns to NewDay beyond the time frame allowed by the card scheme.

Mrs B didn’t agree with the investigator’s findings and said the items she wasn’t happy with, are individually priced on X’s invoice. So, she said this meant they fell within the Section 75 price limits.

The investigator didn’t change his conclusions and Mrs B’s case has now been passed to me to make 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.

Firstly, I'd like Mrs B to know that I've read and understood what she has told us about her personal circumstances. I empathise with the reasons why she wanted to make changes to her kitchen and I recognise that the last couple of years must have been a very worrying time for her.

Chargeback

I'm aware that Mrs B didn't raise any concerns with NewDay about a chargeback claim. But, I think there was an onus on NewDay to consider if one was possible. The chargeback scheme is a way that NewDay might have been able to recover funds. A chargeback is not guaranteed to work, but if there is a reasonable prospect of success it is often good practice to raise one.

Chargeback is governed by the rules of the card scheme. In this case the relevant scheme is MasterCard. From what I can see Mrs B approached NewDay and didn't provide a lot of detail about the nature of the dispute, beyond the fact of her disappointment with the kitchen and she where she wanted a refund.

Ultimately, it has become apparent that Mrs B's dispute is focused on the quality of goods and services received. Whether that be the kitchen itself or the quality of the installation. I think the most relevant reason code in the chargeback rules here relates to goods or services being 'not as described or defective'.

However, to raise a chargeback under this rule certain time limits need to be adhered to. Unfortunately, when Mrs B approached NewDay I consider these time limits had expired. I say this because NewDay's records show that Mrs B had used her credit card to pay over £40,000 to X by 3 June 2023. It seems that by this point, Mrs B had received the goods and services from X. I say this having looked at X's invoice given to Mrs B a few months previously.

The card scheme rules say Mrs B had 120 days from when the service ceased, to raise a chargeback. This means Mrs B would have had to have contacted NewDay by 1 October 2023. I've seen where Mrs B didn't raise her concerns with NewDay until 2024. Therefore, I don't consider NewDay acted unfairly in not raising a chargeback.

Section 75

Mrs B has sought to bring a claim against NewDay under Section 75. This legislation is a provision of the Consumer Credit Act that creates a mechanism by which Mrs B might be able to pursue a like claim against NewDay for a breach of contract or misrepresentation by X.

For Section 75 to apply, there is a provision that requires that the claim relates to any single item to which X attached a cash price of more than £100 but less than £30,000. Whether this requirement is met, is the point of contention of Mrs B's complaint.

I've looked at the invoice X gave to Mrs B for the supply and installation of the kitchen. Having done so, I can see that the total price for the work carried out by X was estimated to be £42,345.03. I've also found that Mrs B had paid over £40,000 to X using her credit card account. So, on the face of it, the cost of the kitchen exceeded the price limits which allow for a valid Section 75 claim to be brought against NewDay.

However, Mrs B has shown us where X gave her an estimate for the cost of the kitchen, with

a price attributed to each item supplied. And I can see that on their own, the components are less than the upper price limit for a valid Section 75 claim. Mrs B says that she paid for the single items that form the kitchen, so should be able to raise a Section 75 claim about the individual items she's unhappy with.

I've thought carefully about Mrs B's arguments here. But, I think Mrs B entered into a contract with X for the supply and fitting of a kitchen as a single item or service. I don't think that each component of the kitchen was sold separately as a discrete individual unit. In the circumstances of Mrs B case, I think the supply and installation of the kitchen was sold as a package, with all the items intended on being used together.

So, I think the single item Mrs B purchased using her credit card, was the kitchen and its installation. This means the price given to Mrs B by X, is beyond the price limits set out for a valid Section 75 claim.

To be clear, my role here is to consider whether NewDay have treated Mrs B fairly and reasonably when handling her claim under Section 75. NewDay told Mrs B they felt her claim fell outside the financial limits of Section 75. And as I've explained, I agree this is the case.

Consequently, this means I've not gone on to review Mrs B's concerns about the quality of the goods supplied by X. There may be other options, such as approaching a court, available for Mrs B if she wishes to pursue X for a breach of contract. I should add that I recognise it's likely Mrs B may incur a cost for taking that sort of legal action.

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 Mrs B to accept or reject my decision before 10 April 2026.

Sam Wedderburn
Ombudsman