

## **The complaint**

Mr N complained about the way MBNA Limited dealt with a claim for money back for a purchase made using his credit card.

## **What happened**

Around February 2023, Mr N's son who is an additional cardholder on Mr N's credit card account, purchased a tap for around £800 from a supplier I'll call F. The tap was installed in Mr N's son's house.

Mr N said that the tap developed a fault around July 2025. He said that F didn't provide aftersales support. He contacted MBNA to raise a claim under Section 75 of the Consumer Credit Act 1974 (Section 75). He asked for a full refund.

MBNA asked Mr N to provide an independent report. However, after this was provided by Mr N, MBNA said the claim didn't meet the requirements of a valid claim as it said that the contract wasn't in Mr N's name and he wasn't the receiver of the goods.

Mr N complained to MBNA. He said that it didn't make it clear that there were limitations to a Section 75 claim. He said that he thought that a claim could be made by an additional cardholder and if he'd known this wasn't possible, he would've purchased the tap using his primary card. He referred to the Consumer Duty and said that MBNA didn't make it clear that the legal protection didn't apply to additional cardholders.

MBNA considered the complaint but didn't agree it acted unfairly. It said that Mr N wasn't the beneficiary of the goods and as the tap was installed in Mr N's son's house, the claim didn't meet the criteria of Section 75. It agreed to reimburse Mr N for the cost of the independent report as it should've explained that the claim didn't meet the requirements based on the information Mr N provided earlier.

Mr N referred his complaint to the Financial Ombudsman. An investigator considered the complaint but didn't uphold it. She didn't think there was a valid debtor-creditor-supplier ('DCS') agreement for a valid Section 75 claim and didn't think MBNA was required to explain the criteria required in detail to Mr N. She agreed MBNA acted fairly by agreeing to refund Mr N the cost of the report.

Mr N disagreed and said he would have made the purchase if he'd known that Section 75 wouldn't apply if the purchase was made by an additional cardholder. He made a number of points explaining that the purchase was made with his authority and he had benefit of the tap.

As the matter remains unresolved it 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 want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr N and MBNA that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

When considering what is, in my opinion, fair and reasonable, I take into account relevant law and regulations; regulator's rules, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

Under Section 75, MBNA is jointly liable for any breaches of contract or misrepresentations made by the supplier of goods or services – which is F in this case. In order for there to be a valid claim under Section 75, the goods purchased must meet the financial limits set under the Act. I'm satisfied that the financial limits have been met.

However, another key criteria which must be met is often known as the debtor–creditor–supplier agreement (DCS). In practical terms, this means that in order for Section 75 to apply, the person who has paid using their credit card account and is liable to repay the credit card debt (the debtor), needs to have a contract with the company (the supplier) which they say is responsible for a breach of contract or misrepresentation.

Having looked carefully at everything provided, I'm satisfied that the payment for the tap was made by an additional cardholder - Mr N's son - he also had it installed at his home. The order confirmation shows his name and his address as the shipping address. Mr N has explained that he benefits from the tap when visiting his son and while carrying out business activities there. He's also said he was involved in choosing the tap.

I've taken this into account. But even though Mr N may benefit from the tap and was involved in the decision to buy it, I haven't seen evidence to show that he had a direct contractual relationship with the supplier, F. Because of this, I don't think the requirements for a valid Section 75 claim have been met. So, I don't find that MBNA acted unfairly when it declined his claim on this basis.

I'm sorry that Mr N said he wasn't aware of the limitation of protections under Section 75. But Section 75 claims are considered in line with the rules and laws as set out by the Consumer Credit Act 1974 (CCA) and clarified with case law – and not by account terms. And it's not MBNA's responsibility to explain the rights and limitations of consumer protection laws and regulations in details in its account terms or to consumers before they make purchases – especially in an evolving area of law, where the CCA and its measures are being clarified with additional case law.

But where consumers make claims, we would expect those claims to be investigated fairly. I've noted MBNA said it could have explained the DCS requirements to Mr N earlier when he made the claim, before advising that an independent report would be needed. But I think, by agreeing to cover the cost of that report, it's put this right as this means Mr N isn't left out of pocket.

I understand that Mr N is unhappy, particularly as he feels MBNA didn't make it clear that purchases made by an additional card holder wouldn't qualify for protection under Section 75. But as I've said above, this is set out in law, and it is ultimately Mr N's responsibility to understand how the legislation applies to his situation.

Overall, while there was a slight delay in explaining why the claim didn't meet the DCS requirements, I'm satisfied that MBNA dealt with things within a reasonable time frame. I

don't think the claim met the conditions for a valid Section 75 so I don't think MBNA can be held responsible for any breach of contract. So, I won't be asking it to refund Mr N or pay him any compensation. MBNA agreed to reimburse Mr N the cost of the independent report which I think is a fair, so I won't be directing it to do anything more.

### **My final decision**

MBNA has already made an offer to cover the cost of the independent report to settle the complaint, and I think this offer is fair in all the circumstances. MBNA should pay this to Mr N on receipt of evidence of the cost from Mr N if it hasn't already done so. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 12 May 2026.

Amina Rashid  
**Ombudsman**