

The complaint

Mr C complains that Barclays Bank UK PLC trading as Barclaycard rejected his claim under section 75 Consumer Credit Act 1974 (s.75).

What happened

Mr C engaged a builder to carry out work on his house for an agreed sum of £29,000. He has explained that the contract was verbal, but he has provided some paperwork. He says payment of £200 was made using a card machine provided by the builder's co-worker. This was part of a £5,000 deposit. The balance was paid by bank transfer.

Mr C was unhappy with the standard of the work and the building inspector identified a number of issues which needed to be addressed. However the inspector confirmed the work did meet building regulations. Mr C also says that the builder ruptured a gas main putting people at risk. In September 2025 Mr C told the builder the contract was terminated.

Mr C contacted Barclays and made a claim under s.75. Barclays noted the £200 payment from his credit card account had been made to an entity called Sparkling Events and it could not see a link between Mr C and the builder. As such it rejected the claim.

Mr C brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. He could not see the link between the payment to Sparkling Events and the builder.

Mr C didn't agree and said the documentation signed by the builder showed a deposit paid of £5,000 of which £200 was paid by credit card. This demonstrated the payment by credit card was for the building work to be carried out. Sparkling Events didn't provide building services it merely facilitated the processing of the card payment. He said that the substance was that he was the debtor, the card issuer was the creditor and the builder was the supplier. He explained that the builder had confirmed that the co-worker whose card machine was used had confirmed the payment was for the builder and was paid to him. Mr C believed the substance of the transaction should be considered and not the technicalities. He attached a copy of a manuscript note written in a diary which claimed to be signed by the builder and his co-worker confirming the £200 payment was for building work.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

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 also want to assure Mr C that I've reviewed everything on file. 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.

Having considered all the evidence I do not consider I can uphold this complaint. I will explain why.

This complaint has been submitted as a claim under s. 75. This legislation offers protection to customers who use certain types of credit to make purchases of goods or services. Under s. 75 the consumer has an equal right to claim against the provider of the credit or the retailer providing the goods or services, if there has been a misrepresentation or breach of contract on the supplier's part. For s. 75 to apply, the law effectively says that there has to be a:

- Debtor-creditor-supplier (DCS) agreement and
- A clear breach of contract or misrepresentation by the supplier in the chain.

Our role isn't to say if there has been a breach of contract or a mis representation for a valid claim under s. 75 but to consider if Barclays bank has come to a fair outcome based on the evidence it was provided.

The key issue is whether there is a DCS agreement in place. Mr C has referred to his situation being similar to a payment processor or a payment facilitator processing a payment on behalf of the supplier. In this case there is a payment facilitator, SumUp and its part in the transaction does not cause me to believe there is a break in the DCS agreement.

However, that is not the issue. The difficulty for Mr C is that he did not pay the builder directly. He paid a third party and it then apparently handed the money on to the builder. That means there was an additional party to the transaction interposed between Mr C and the supplier, i.e. the builder. The third party was not acting as a payment processor. It took the money and it may well have passed it on to the builder. This is not disputed by Mr C, but he has asked Barclays to ignore this fact and simply look at the substance of the transaction or more properly at the intent of the parties.

I do not consider it is obliged to do so. The legislation makes it clear that there has to be a direct link between the debtor, the creditor and the supplier. In this case the link has been broken by the payment being made to a third party. I appreciate Mr C was unaware of this at the time and trusted the builder, but that does not allow me to require Barclays to overlook the law.

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 23 March 2026.

Ivor Graham
Ombudsman