

complaint

Mr B complains that AIB Group (UK) Plc (“AIB”) won’t refund the cost of a central heating boiler which he says is faulty, and which he paid for using his AIB credit card. He brings this complaint under section 75 of the Consumer Credit Act 1974.

background

In September 2010, Mr B arranged for a local builder and plumber, whom I will call “Mr G”, to install a new central heating boiler in his house at a cost of £1,500. He paid for this using his AIB credit card. Mr B had a series of problems with the boiler and eventually complained to AIB. When it didn’t refund what he had paid, he complained to this service.

Our adjudicator didn’t recommend that this complaint should be upheld. He said that Mr B’s credit card statement showed that the payment of £1,500 was made by AIB not to Mr G, but to a completely different business, which I will call “Company J”. For a section 75 claim to be successful, there had to be a link between the debtor, the creditor, and the supplier of the goods or service.

Here there were four parties involved – Mr B, AIB, Mr G, and Company J. Where the supplier of the goods and the recipient of the money were different, section 75 could only apply if a clear link could be shown between them. In this case, the adjudicator had been unable to find any link between Mr G and Company J. So he could not find that AIB should refund the cost of the boiler.

Mr B said that there must be some link between Mr G and Company J. Otherwise, why would Mr G do the work, and then let Company J take the money. The adjudicator said that Company J might well have passed on the money to Mr G after it received it from AIB. But he could not show that at the time the card payment was made there was a sufficient link in place between Mr G and Company J for a claim under section 75 to be successful. Nor could he say that the evidence showed Mr G was acting as the agent of Company J.

Mr B didn’t accept the adjudicator’s view, and so this complaint has been passed to me for a final decision.

my findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Section 75 is technical in its operation, and it’s not every situation where goods or services are paid for by a credit card that will make the credit card company liable for a breach of contract by the supplier. In particular, for section 75 to apply, there must be an unbroken link between the debtor (Mr B), the creditor (AIB), and the supplier of the goods (Mr G).

In this case Mr G was clearly the supplier of the boiler. However AIB didn’t make the payment to him, so there was no connection between AIB and Mr G. There was such a connection between AIB and Company J, because it received the payment from AIB. But it was not the supplier of the goods, so again the required link is absent.

While it seems likely that the payment made its way somehow from Company J to Mr G, the adjudicator was unable to find evidence of any formal link existing at the time of the credit

card payment sufficient to support a section 75 claim, or any evidence that Mr G was acting as the agent of Company J.

I understand the frustration that Mr B must feel. But I am unable to say that the unbroken debtor/creditor/supplier chain necessary to support a section 75 claim has been shown to be present in this case.

my final decision

For the reasons I have explained above, my decision is that I don't uphold this complaint, and make no order against AIB Group (UK) Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 October 2015.

Lennox Towers
ombudsman