

## **complaint**

Mr M complains that Barclays Bank UK PLC (trading as Barclaycard) won't refund the cost of a faulty vehicle he purchased.

## **background**

Mr M bought a vehicle using his credit card. The vehicle developed a number of faults within the first six months. Mr M wanted to reject the vehicle. But the merchant refused to refund the purchase cost. So he wants Barclaycard to repay the full amount under the Consumer Credit Act.

Barclaycard looked into the dispute but it said Mr M didn't have a valid claim. So it couldn't assist him. The vehicle had been purchased in the name of Mr M's partner. So there was no direct relationship between the debtor, creditor and supplier.

Barclaycard apologised for not responding in a timely manner and paid Mr M £25 for its poor service. And as a gesture of goodwill it'd credit Mr M's account with £72.47 to cover the cost of a faulty part. But it wasn't able to bring a claim under Section 75 of the Consumer Credit Act 1974.

Mr M wasn't satisfied with Barclaycard's response. So he contacted our service and our investigator looked into the matter. She looked at the circumstances around Mr M's claim. And she didn't think there was a debtor-creditor-supplier relationship in this case. There was a fourth party to the transaction. And the legislation makes it clear there can only be debtor, creditor and supplier. So she felt Barclaycard had acted correctly.

Mr M didn't agree. So he's asked for an ombudsman's final decision. He had purchased the vehicle for his partner's use with the option for her to purchase it from him. But she hadn't done so because it'd developed a number of faults. The d-c-s chain hadn't been broken.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've reached the same conclusion as our investigator.

I'm sorry to hear about the difficulties Mr M and his partner have experienced with the vehicle they purchased. And I can understand Mr M's frustration. He'd bought goods using his credit card. And therefore the provider (Barclaycard) should've been equally liable when something went wrong. So I've looked carefully at everything Mr M and Barclaycard have said.

As our investigator has explained there are specific conditions that must be met for a claim under Section 75 of the Consumer Credit Act 1974. And one of those conditions relates to what is known as the debtor-creditor-supplier link. In this case Mr M was the debtor, Barclays was the creditor and the vehicle dealer was the supplier. Technically there must be a direct link between the three parties. And if that relationship is broken by the involvement of another party then unfortunately Section 75 won't apply.

In this case Mr M says he purchased the vehicle using his credit card. He says he is still the owner of the vehicle. And although there was an option for his partner to buy it from him, she never did. So the link hasn't been broken.

Although the vehicle was financed by Mr M it was purchased for his partner's use. Mr M said he never intended to use it. He had his own vehicle. The invoice and warranty for the vehicle purchase are in his partner's name. And the vehicle registration certificate is in his partner's name. So I think his partner is the contracting party with the supplier - not Mr M.

I realise Mr M says this was done so the vehicle could be insured in his partner's name without any difficulties. But whether or not his partner intended to pay him back I think there is an additional party in the transaction. And the d-c-s link has been broken.

Barclaycard has offered Mr M £25 compensation for the delay in responding to his complaint. And it's paid £72.47 as a gesture of goodwill towards the cost of repairing a faulty part. But the Section 75 legislation makes it clear there can only be debtor, creditor and supplier. And I don't think the conditions to make a successful claim under Section 75 are in place.

I realise Mr M will be disappointed with this outcome. But, taking into account everything that's happened, I can't say Barclaycard has done anything wrong by not taking the claim forward. And I won't be asking it to do anything more.

### **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 M to accept or reject my decision before 1 March 2019.

Andrew Mason  
**ombudsman**