

complaint

Mrs F complains about Lloyds Bank PLC. She's unhappy with Lloyds' decision not to reimburse her money she paid to a third party using her Lloyds Bank Duo Avios credit card. Mrs F believes Lloyds should do this under the provisions of section 75 of the Consumer Credit Act ("section 75").

background

Mrs F enrolled on a university course. She paid the tuition fees using her Lloyds credit card. Mrs F started the course but was unhappy with the quality of the service she received. She complained to the university and withdrew from the course. She also asked for a refund of the fees she'd paid. The university reviewed the matter and eventually agreed to refund 75% of Mrs F's tuition fees. It also offered Mrs F another, more formal review of the service she'd received.

Unhappy with the university's response Mrs F raised a section 75 claim with Lloyds. Lloyds declined the claim, saying that neither a breach of contract nor misrepresentation had been proven. But it offered £100 for how long it took to reach a decision.

Mrs F referred her complaint to this service. Our investigator reviewed Mrs F's complaint and agreed with Lloyds' conclusions. Mrs F disagreed with our investigator. So the 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. Having done so, I agree with the investigator's conclusions.

In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. So to be able to uphold Mrs F's complaint about Lloyds under section 75, I must be satisfied that there's been a breach of contract or misrepresentation by the university.

Mrs F's concerns relate mainly to her dissatisfaction with the service and support she received from staff while enrolled on her university course. I think there's an element of subjectivity about the standard of service provided by the university, but I appreciate that the course didn't fully meet her expectations.

I've carefully reviewed the documentation and information provided by Mrs F and Lloyds. Having done so I'm satisfied Mrs F had the benefit of some aspects of the course despite the problems she encountered. Following an investigation into Mrs F's complaint, the university offered to refund 75% of Mrs F's fees. Mrs F has chosen to decline this along with the university's offer to conduct another review into the service issues she raised. This would be in line with the university's policies and procedures. Having looked at the university's *Student Handbook-Regulations, Policies and Procedures* which includes its terms and conditions, I haven't found there's a guarantee of any sort of bespoke service regarding student contact hours or support.

Mrs F says the university's offer to refund a portion of the fees demonstrates an admission of liability for her claim. I haven't seen anything to suggest this is the case.

I can understand how frustrating that must be for Mrs F. She has my sympathy, especially given the health issues she's dealing with. But for the reasons I've outlined above and based on the information I have I'm not persuaded that there's been a breach of contract or misrepresentation by the university.

So I don't think it would be appropriate for me to direct Lloyds to uphold Mrs F's section 75 claim. Mrs F can decide whether she wants to give the university another opportunity to review matters.

my final decision

My final decision is that I don't uphold this complaint.

I leave it to Mrs F to decide whether she wishes to accept Lloyds Bank PLC's offer of £100 for how long it took to reach a decision on her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 7 December 2016.

Chillel Williams
ombudsman