

complaint

Mr C complains that TSB Bank plc will not refund to him the money that he paid for a car. His complaint is made against TSB under section 75 of the Consumer Credit Act 1974.

background

Mr C bought a car for his company at an auction in January 2014. He paid for the deposit using his TSB credit card. He considered that the car was not of a satisfactory quality and that its mileage was not correct. He complained to the auction house and then to TSB under section 75. He was not satisfied with TSB's response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. She concluded that the car was purchased through an auction house which acted as a third party agent on behalf of the individual seller. She concluded that there was no direct chain between the debtor, the creditor and the supplier so she was unable to ask TSB to refund the cost of the car to Mr C under section 75.

Mr C has asked for his complaint to be considered by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

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 has been a breach of contract or misrepresentation by the supplier. One of those circumstances is that there must be a direct relationship between the debtor, the creditor and the supplier.

In this case the debtor is Mr C because he has a credit card from TSB, the creditor is TSB which has provided credit to Mr C and the supplier is the supplier of the car. Mr C paid the deposit to the auction house using his credit card but the invoice shows that the car was supplied to a company and not to Mr C. In addition, the auction house is not the supplier of the car. TSB therefore has no direct relationship with either the company to which the car was supplied or the supplier of the car. I am not persuaded that there is a direct relationship between the debtor, the creditor and the supplier in these circumstances. As such, I do not consider that it would be fair or reasonable for me to require TSB to refund the cost of the car to Mr C under section 75.

TSB says that its credit card terms and conditions state that a customer must not use their card for any business purposes. It says that Mr C used his personal credit card to purchase a car for a company and that it is therefore unable to raise a chargeback. I am not persuaded that there is enough evidence to show that TSB should have raised a chargeback in these circumstances or that it acted incorrectly in not doing so.

my final decision

For these reasons, my decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 7 April 2015.

Jarrold Hastings
ombudsman