

complaint

Ms D is unhappy with a training course she bought for her husband. She brings her complaint against Vanquis Bank Limited under section 75 of the Consumer Credit Act 1974.

Ms D is being represented in this complaint – for clarity, references to submissions by Ms D should be taken to include those of her representative.

background

Ms D used her Vanquis credit card to pay for a language course for her husband. Ms D raised a section 75 claim against Vanquis for breach of contract and misrepresentation because her husband was unhappy with aspects of the course.

Vanquis refused Ms D's section 75 claim – it said that she was not a party to the contract.

Our adjudicator said that the contract for the course was not made with Ms D but with her husband. The adjudicator concluded that this meant she did not have a valid claim under section 75.

Ms D disagreed with the adjudicator's view and says that she is a beneficiary in the contractual agreement because her husband did the course so he could teach her English.

my findings

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

does section 75 apply?

Section 75 makes the provider of credit (Vanquis in this case) equally liable where there is a case of misrepresentation or breach of contract by the supplier of goods or services financed by the credit. However, it will only apply when there is a direct relationship between the debtor, creditor and supplier.

In this case I am satisfied that Ms D (the debtor) does not have the required relationship with the supplier for a section 75 claim as the contract for the services was made with her husband.

Ms D has responded to the adjudicator's view by saying that she paid for the course so that her husband could teach her English. However, this is not consistent with early submissions to this service by Ms D and her husband where they say that the purpose of the course was so he could pursue a job opportunity. On balance, I am satisfied that Ms D's husband is the sole intended beneficiary under the agreement with the course provider.

I also note that in an early phone call to this service Ms D's husband indicates that his wife had paid for the course as a favour and he was always going to pay her back for it. I consider that this supports the finding that Ms D did not intend to be a contracting party here.

Overall and on balance, I am not persuaded that Ms D is a contracting party in this instance. Therefore I do not find that the necessary debtor – creditor - supplier relationship exists for her to have a valid claim against Vanquis under section 75.

I appreciate this is a technical area of the law, and Ms D is likely to be disappointed by this outcome. Ms D does not have to accept this decision and may pursue this matter by alternative means - should she wish to do so.

my final decision

My final decision is that I do not uphold this complaint.

Mark Lancod
ombudsman