

complaint

Ms O complains that Bank of Ireland (UK) plc, trading as Post Office Money, won't refund to her the money that she paid for some flights. Her complaint is made against Post Office Money under section 75 of the Consumer Credit Act 1974.

background

Ms O used her Post Office Money credit card to pay £516 to a travel agent for flights, accommodation, a transfer and a booking fee. She changed her mind about the holiday and asked the agent for a refund. It refunded the £316.59 that she'd paid for the accommodation (refunds of £284 and £32.59) but said that the flights had 100% cancellation charges so no refund on them was due to Ms O. She complained to Post Office Money under section 75 but wasn't satisfied with its response so complained to this service.

The investigator didn't recommend that this complaint should be upheld. He said that the debtor-creditor-supplier chain required for a section 75 claim had been broken because the travel agent doesn't actually supply the flights or hotel – it only acts as an agent and is only responsible for booking the package.

Ms O has asked for her complaint to be considered by an ombudsman. She says, in summary, that she wasn't told that she wouldn't be able to cancel the flights. And she believes that the flights were mis-sold to her. She says the travel agent shouldn't be allowed to operate like this.

my findings

I've considered all the available evidence and arguments to decide what's 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's 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. If there is such a relationship, I'd need to be satisfied that there'd been a breach of contract or misrepresentation by the travel agent to be able to uphold Ms O's complaint about Post Office Money under section 75.

In this case, Ms O is the debtor because she's been provided with credit by Post Office Money, Post Office Money is the creditor because it has provided credit to Ms O, and the travel agent is the supplier. But it's the airline – and not the travel agent – that's responsible for supplying the flights to Ms O. So I find that the required debtor-creditor-supplier relationship isn't present in these circumstances. And I find that Ms O's claim under section 75 can't succeed.

But even if there had been a debtor-creditor-supplier relationship, I'm not persuaded that there's been a breach of contract or misrepresentation by the travel agent. Its terms and conditions make it clear that it only acts as an agent for the airlines. And I consider that Ms O wasn't entitled to a refund for the flights under the airline's terms and conditions. I don't consider that there's been a misrepresentation by the travel agent - or that it has acted incorrectly in its dealings with Ms O.

So I consider that Post Office Money has correctly applied section 75 and that it isn't liable to Ms O for the money that she has claimed. And I find that it wouldn't be fair or reasonable in these circumstances for me to require Post Office Money to refund the cost of the flights to Ms O under section 75 – or to take any other action in response to her complaint.

my final decision

For these reasons, my decision is that I don't uphold Ms O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 22 March 2017

Jarrold Hastings
ombudsman