

## **summary of complaint**

Mrs T is dissatisfied with Vanquis Bank Limited's (Vanquis) response to her complaint under section 75 of the Consumer Credit Act 1974. She is seeking a refund of unsatisfactory building works.

## **background**

Mrs T contracted with a company, which I will refer to as C, to carry out building work in various areas of her property. The total cost of the work was to be in the region of £8,000 of which a deposit was payable initially, and the balance on completion of the work.

Shortly after C began work, Mrs T raised concerns about a supporting wall which appeared to have been demolished without proper support being in place for the first floor.

Mrs T's relationship with C broke down and no further work was carried out.

Mrs T had paid a total of £4,450 to C by this point, some of which was paid using her Vanquis credit card.

Mrs T then hired another company, which I will refer to as B, which has confirmed that the work done by C was unsatisfactory, and in some respects unsafe. She paid B approximately £2,000 to rectify the damage done, properly support the first floor, and complete the relevant plastering work associated with the demolition of the wall.

Our adjudicator ultimately concluded that there had been a breach of contract for which Vanquis was liable under section 75. He recommended that Vanquis refund the £4,450 paid to C, along with associated interest and charges, with a deduction of £600 for the value of some of the work undertaken by C. He also recommended Vanquis pay £75 compensation to Mrs T for the way it handled her complaint.

Mrs T agreed with these conclusions. Vanquis failed to reply to our adjudicator within the required timeframes, but did then respond. It said, in summary, that because Mrs T had terminated the contract with C it was not responsible for any breach of contract.

## **my findings**

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

Section 75 provides that, under a very specific set of circumstances, a consumer may seek to recover money paid under a contract with a supplier from his or her credit card provider. This means that the credit card provider can, in some circumstances, be held equally liable with the supplier for a breach of contract or misrepresentation.

B has provided a letter which states that the support lintel installed by C was unsafe. Mrs T has also provided pictures which show cracking of bathroom tiles and bedroom walls on the upper floor. I am therefore satisfied, on balance, that C breached its contract with Mrs T by failing to carry out its work with the reasonable skill and care required.

C were due to carry out extensive work to Mrs T's property under the contract. I consider the breach of contract that occurred to have been sufficiently serious to allow Mrs T to terminate the contract – as she did.

Vanquis is therefore liable to refund all sums paid under the contract. However a deduction must be made for any benefit that Mrs T has derived from the contract. Mrs B paid B £2,335 to rectify the work done by C, and complete the job in respect of the wall demolition. B has said that if it were to have undertaken the job from start to finish, it would have charged around £3,000. The benefit that Mrs T has derived from her contract with C is therefore around £600. That amount should therefore be deducted from the refund.

In addition I consider that Vanquis caused Mrs T distress and inconvenience in the length of time it has taken to deal with the claim. I am satisfied that a payment of £150 is fair and reasonable compensation in the circumstances.

### **my final decision**

My final decision is that I uphold this complaint and order Vanquis Bank Limited to:

- 1) rework Mrs T credit card as though two payments of £1,450 and £1,000 had not been made;
- 2) if Mrs T has fully repaid the sums at 1) on her credit card, Mrs T should also be paid simple interest on these sums at a rate 8% per annum from the date these sums were repaid, to the date of settlement;
- 3) refund the two other payments made by Mrs T of £1,000 made on 10 May 2012 and 1 June 2012 , plus simple interest at a rate of 8% per annum from the date of payment to the date of settlement;
- 4) deduct £600 from the total of 1), 2) and 3); and,
- 5) Pay Mrs T £150 compensation.

Vanquis Bank Limited should deduct basic rate tax from the interest element of my award and provide Mrs T with the appropriate tax deduction certificate so that she is able to claim a refund if appropriate.

Garry Hunter  
**ombudsman**