

The complaint

Mrs M complains that Barclays Bank UK PLC (trading as Barclaycard) treated her unfairly by failing to provide a refund for faulty goods she bought with her credit card.

What happened

In 2017 Mrs M bought a tablet from a third party (that I'll call B) on Amazon Marketplace. The tablet developed a fault in 2019, after the manufacturer's warranty expired. Mrs M contacted Amazon who got in touch with the seller but Mrs M heard nothing more from B.

Mrs M paid for the tablet using a credit card so she complained to Barclaycard, the card provider, and asked for a refund. Barclaycard told Mrs M it was too late to attempt a chargeback and section 75 of the Consumer Credit Act 1974 doesn't apply in these particular circumstances so it was unable to do anything further.

Our investigator didn't uphold the complaint. He's satisfied a chargeback was out of time and he couldn't hold Barclaycard liable for a refund - because the debtor-creditor-supplier (D-C-S) relationship required under section 75 wasn't present.

Mrs M asked for an ombudsman to review the matter. In summary, she says she paid for the tablet on her credit card for added peace of mind and the manufacturer diagnosed a manufacturing fault so she should have five years to bring a claim for that. She's also unhappy that Amazon tells purchasers not to contact the seller direct but doesn't explain that they're not protected if the seller disappears.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mrs M brings her complaint to our service because she paid for this tablet using credit provided by Barclaycard. I understand that she feels let down by what happened and she wants Barclaycard to provide a refund under section 75 or via chargeback. I should make it clear however that I'm looking at Barclaycard's response to Mrs M's complaint in this decision – and it's not within my remit here to require third parties, like B and Amazon, to do anything.

chargeback

The chargeback scheme is voluntary process to resolve disputes between card issuers and merchants. Chargeback is not a legal right however - the operator of the scheme (Visa here) sets the rules and these must be followed strictly.

I've considered the relevant scheme rules and I'm satisfied a chargeback must be brought within 120 calendar days of either the date of the transaction or the date the goods were received. Paperwork I've seen shows this tablet was dispatched near the end of November 2017 and the card transaction was made around the same time. I'm satisfied the 120 days

would have run out in 2018 and Mrs M didn't contact Barclaycard until June 2019. I realise that's because she didn't know the tablet had a fault until around that time but I'm afraid this means it was too late to raise a chargeback under the scheme rules. I can't fairly find it was unreasonable of Barclaycard to decline the chargeback in this situation.

section 75

Section 75 gives consumers an equal right to claim against a supplier of goods or services or the credit provider - subject to specific conditions. One of these conditions is that there must be an unbroken D-C-S chain - in other words, Mrs M must have used credit provided by Barclaycard to finance her agreement with B, the supplier that's let her down.

Mrs M bought this tablet on Amazon Marketplace. I'm satisfied the contract to buy the goods was made between Mrs M and B and Amazon acted as an intermediary facilitating the transaction between them. This included taking the relevant payment from Mrs M on her Barclaycard. I appreciate Amazon then passed that payment on to B, but I'm satisfied the relevant payment was made to Amazon and this means the D-C-S link, that section 75 requires, is broken.

I don't apply the law but I am obliged to take relevant law into account when I make my decision. The requirements of section 75 are strict and I can't reasonably hold Barclaycard responsible for misrepresentation or breach of contract in these circumstances. I realise this is frustrating for Mrs M and I have sympathy for the situation she finds herself in. For the reasons I've given however, I'm not persuaded that it would be fair or reasonable to require Barclaycard to do anything further.

My final decision

My decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 March 2021.

Claire Jackson
Ombudsman