

complaint

Mr P complains that American Express Services Europe Limited won't deal with his complaint under section 75 of the Consumer Credit Act 1974.

background

In March 2010, Mr P says he bought a table and four chairs. The invoice he's given us shows that the table was £179 and the chairs were £89 each. He says that after a few years he noticed that the faux leather fabric on the chairs was cracking. He thought that this showed they weren't of satisfactory quality at the time he'd bought them – he'd expect them to last 10 years. He wanted them replaced. He contacted American Express as the shop he'd bought them from was no longer in business. As he'd paid on his credit card they were jointly liable with the seller for any misrepresentation or breach of contract.

American Express explained that in this case he didn't have a claim against them. This was because Section 75 of the Consumer Credit Act 1974 only applies where the value of the item that been bought with the credit card is between £100 and £30,000. The chairs he'd bought cost £89 each so he didn't have the protection of section 75. Mr P didn't agree. He said the total value of his purchase was over £100 and he should be covered. He brought his complaint to us.

The adjudicator looked at all of the evidence but thought the chairs were individual items and so were below the single item limit of £100. He didn't think American Express had done anything wrong. He also felt that even if we had looked at the case, it was unlikely in view of the age of the chairs when Mr P first complained that we'd have decided that they were unfit for purpose at the time he bought them.

Mr P asked that an ombudsman consider the matter.

my findings

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

Section 75 provides valuable protection to consumers but that protection isn't unlimited. The act says that section 75 doesn't apply to a claim so far as it relates:

"...to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000 ..."

Mr P bought a table and four chairs. I've seen nothing to suggest that they were part of a set that he had to buy together. The invoice simply shows five items were purchased which were individually priced. I'm satisfied that the chairs were 'single items'. Since each of the chairs cost less than £100 then section 75 wouldn't apply.

I know Mr P will feel disappointed but I find that it was reasonable for American Express to say that the conditions for making a claim under section 75 weren't met.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 November 2016.

Nicola Crabb
ombudsman