

The complaint

Mr I complains that Barclays Bank UK PLC has delayed in helping him obtain a refund for a payment he made using his credit card.

What happened

In February 2023, Mr I booked a flight and hotel package from a travel agent (who I'll refer to as "Z"). He paid three initial instalments using his Barclays credit card totalling £1,887.50 and a further instalment using a different card from another lender totalling £2,060.

Mr I was unhappy with Z's conduct and asked for a refund of what he had paid. When he didn't receive the refund, he approached Barclays for assistance in getting his money back. Mr I then complained to Barclays to say it was taking too long to review his claim for a refund.

Barclays sent a final response to the complaint in July 2023. It agreed that it had taken longer than it should have to review Mr I's claim and it paid him £75 compensation for the upset and inconvenience these delays had caused. It said it had initiated a chargeback for all three payments that Z had debited but explained there was no guarantee they would succeed. This was because it didn't appear from what Mr I had provided that he had valid grounds to receive a refund through the chargeback process. Barclays said it had also considered his claim under section 75 of the Consumer Credit Act 1974 ("section 75") but it didn't think it had any liability as there was no debtor-creditor-supplier agreement for the transaction.

Our investigator didn't recommend the complaint be upheld. She agreed that Barclays had delayed in reviewing Mr I's claim for a refund but considered the £75 compensation it had paid to be a fair and reasonable way to put things right. She agreed that it didn't appear Barclays had any liability under section 75, however, Mr I had since received a refund from Z so there was no financial loss for which Barclays might be responsible for in any event. She noted that Mr I had raised new issues about charges on his Barclays account but because those points had not been raised with Barclays before, they couldn't be considered as part of this complaint.

Mr I didn't agree, so the complaint has been passed to me for a decision.

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.

The general effect of section 75 is that if Mr I has a claim for breach of contract or misrepresentation against Z, he can bring a like claim against Barclays (as the credit provider), provided that certain conditions are met. One of those conditions is that there must be a debtor-creditor-supplier agreement.

A debtor-creditor-supplier agreement is the arrangements that need to exist between the

relevant parties in order to make a section 75 claim. The formal wording is set out in section 12 of the Consumer Credit Act 1974 and in summary, says there needs to be 'pre-existing' arrangements between the creditor and the supplier (in this case, between Barclays and Z).

However, Barclays appears to have no pre-existing arrangements with Z as that is not who was paid using Mr I's Barclays credit card. A different travel agent was paid. It isn't clear why this is the case or what connection it has to Z. I've seen no evidence to show Z and the other travel agent are linked or could be considered 'associates' as set out in section 184 of the Consumer Credit Act 1974. Unless they can be considered 'associates' there doesn't appear to have been a debtor-creditor-supplier agreement in place. This means Barclays can't be held jointly liable for any breach of contract or misrepresentation by Z.

In any event, I've seen that Barclays attempted to obtain a refund for Mr I through the chargeback scheme, which is run by the relevant card scheme. I note that partly as a result of initiating this chargeback, Z has agreed to refund Mr I in full and I understand this refund has been received. I'm therefore satisfied that there is nothing further for Barclays to do in assisting him to obtain the refund.

Barclays has accepted it took too long to begin reviewing Mr I's claim for a refund. I agree this took longer than it should have. However, I think the £75 compensation it has already paid to reflect any upset and inconvenience caused is a fair way to put things right. I say this taking into account the fact that Mr I has received a full refund from Z and that Barclays delays did not impact the amount of the refund he received.

I note Mr I has since complained about additional impacts to his credit card account following the completion of the chargeback process. However, these issues happened many months after Barclays had already issued a final response to the complaint points I've considered here. As Barclays has not had an opportunity to investigate and respond to these new complaint issues, I can't comment on them here. Mr I would need to raise these as a new complaint with Barclays first.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 10 April 2024.

Tero Hiltunen
Ombudsman