

## **The complaint**

Mrs B complains about a decision taken by The Royal Bank of Scotland Plc ("RBS") to decline a claim she made against it under section 75 of the Consumer Credit Act 1974 ("section 75").

## **What happened**

On 18 February 2023 Mrs B paid an airline that I will call "A" for two tickets costing £392.05 (for herself) and £340.05 (for a third party).

On 27 April 2023 Mrs B paid A for two tickets costing £179.15 (for herself) and £179.15 (for a third party).

On 28 July 2023 Mrs B asked A if that instead of her pursuing a claim against it for delayed baggage (in respect of two previous booked and taken flights) would it be possible to cancel the above four flights without penalty with a full refund being issued to her of £1,090.40 (£392.05 plus £340.05 plus £179.15 plus £179.15).

A cancelled all four flights. But instead of refunding Mrs B £1,090.40 it refunded her, on 4 August 2023, £320.40 (£84.15 plus £84.15 plus £76.05 plus £76.05) leaving an outstanding balance of £770.00.

On 4 August 2023 Mrs B made a section 75 claim against RBS for the sum of £770.00 plus £16.00 (£336.40 less £320.40).

On 4 August 2023 RBS acknowledged Mrs B's section 75 claim.

On 8 August 2023 RBS declined Mrs B's section 75 claim on the grounds it wasn't persuaded there had been a breach of contract or misrepresentation by A.

On 8 August 2023 Mrs B contacted RBS to dispute its decision to decline her section 75 claim and to raise a complaint about that decision.

On 14 August 2023 RBS contacted Mrs B to acknowledge her complaint.

On 22 August 2023 RBS issued Mrs B with a final response letter ("FRL"). Under cover of this FRL RBS said it was satisfied that it had done nothing wrong in declining her section 75 claim.

On 7 September 2023 Mrs B referred her complaint to our service.

On 5 October 2023 A refunded Mrs B £580.00 (£264.00 and £316.00) leaving an outstanding balance of £190.00.

On 9 October 2023 A refunded Mrs B £190.00 (£95.00 and £95.00) leaving an outstanding balance of £nil.

Mrs B's complaint was considered by one of our investigators who came to the view that RBS should pay her £16.00 plus a further sum in interest.

RBS didn't respond. Mrs B responded to say that she believed she should be awarded something for the distress and inconvenience this whole matter had caused her and the third party.

The investigator considered Mrs B's response to his view but wasn't persuaded to change his mind. And because of this Mrs B's complaint was passed to me for review and decision.

In November 2023 I issued a provisional decision. In summary I said:

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

*I'm very aware that I've summarised this complaint above in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.*

*Mrs B says she is out of pocket by £16.00 following the refunds she received from A. But I can't see that this is the case. It's my understanding that Mrs B paid A £1,090.40 and that is what she has been refunded by it.*

*Section 75 provides that subject to certain criteria the borrower under a credit agreement has an equal right to claim against the credit provider if there's either a breach of contract or misrepresentation by the supplier of goods or services.*

*Having considered everything that has been said and submitted I'm satisfied, for the same reasons as the investigator, that Mrs B had a section 75 claim against RBS and this could and should have been met by it. However, I'm not persuaded that Mrs B necessarily had a claim for £770.00. I say this because one of the criteria that needs to be met for a claim under section 75 is that there must be a debtor, creditor, supplier ("DCS") agreement.*

*In this case Mrs B paid for four flights, two in the name of herself and two in the name of a third party. So I do wonder whether her claim should have been for less than £770.00.*

*But I need to make no finding on whether RBS should have to refund Mrs B £770.00 because A has refunded this sum. However, I do need to make a finding on whether RBS should have to compensate Mrs B for how it handled her claim and subsequent complaint, Mrs B submitting that that RBS' handling of her claim and complaint has caused her and the third party both distress and inconvenience.*

*As I say above, I think that RBS could and should have met Mrs B's section 75 claim, albeit possibly for a sum less than £770.00. But equally I need to take into account how quickly RBS dealt with Mrs B's claim and rejected it (although I don't agree with that rejection), how quickly it dealt with her complaint, how quickly Mrs B was able to secure a full refund of £1,090.40 from A and given that I can only make an award for distress and inconvenience suffered by Mrs B, not any third party.*

*And taking all this into account I'm satisfied that RBS should pay Mrs B £50 (inclusive of any financial loss suffered by Mrs B as a result of receiving a full refund from A when she did, rather than sooner).*

RBS responded to say that it accepted my provisional findings.

Mrs B didn't respond by the date I gave for a response to my provisional findings.

### **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.

Given that RBS accepted my provisional findings and Mrs B didn't respond to them, I can confirm that I see no reason to depart from them and I now confirm them as final.

### **My final decision**

My final decision is that The Royal Bank of Scotland Plc must pay Mrs B £50.00, but it need do nothing further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 January 2024.

Peter Cook  
**Ombudsman**