

## **The complaint**

Mr M complains that Tesco Personal Finance PLC (Tesco Bank) declined his claim for a refund following payments made on his credit card.

## **What happened**

Mr M says he was provided with a fixed price quote for repair to his car. He says the quote was misrepresented as he had to pay more for the work undertaken. As Mr M wasn't able to resolve the issue with the business that carried out the repairs (the merchant) he raised a claim through Tesco Bank's disputes procedure. He says Tesco Bank declined his claim referring to the merchant's terms and conditions which he says he hadn't seen before the work was completed.

In August 2022 Tesco Bank emailed Mr M to say it hadn't found that there had been a clear breach of contract and so it hadn't been able to progress Mr M's claim under Section 75 of the Consumer Credit Act. It then issued a final response to Mr M's complaint about his claim being rejected. It said it considered Mr M's claim both under the chargeback scheme and Section 75. It said that not all scenarios are covered by the chargeback scheme, and it wasn't able to continue with Mr M's claim through this scheme. In regard to a Section 75 claim, it said it hadn't been able to substantiate a breach of contract. It noted that Mr M was contacted about the additional costs, and he agreed to these. It didn't find there had been a breach of contract or misrepresentation and said it was right to reject the claim.

Mr M referred his complaint to this service. Our investigator didn't uphold this complaint. She didn't think that Tesco Bank had done anything wrong by not raising a chargeback claim. In regard to the Section 75 claim, she said it wasn't unreasonable that the costs could change after the car had been assessed. She accepted that Mr M had paid more than the original quote but said he had received what he had paid for. Therefore, she didn't find that there had been a breach of contract or misrepresentation and so didn't think that Tesco Bank was wrong to decline Mr M's claim.

Mr M didn't agree with our investigator's view. He said that the quote he received was a fixed price and that the additional work the merchant charged for was clear from the photographs he had provided before the quote was provided. He said that when he was told about the extra costs, work had already started on his car and so he had no choice to accept the extra charges as he couldn't have a partial repair. He then checked his quote and said he found the 'extra damage' was included in the quote by reference to the photographs he had provided. He said this extra work was misrepresented to him and should be refunded.

## **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.

I understand why Mr M is upset that he had to pay more for the repairs to his car than he had initially expected. But this complaint is about whether Tesco Bank acted reasonably in response to Mr M's claim for a refund.

Mr M paid for the repairs using his Tesco Bank credit card. As has already been explained, when payments are disputed there are two possible approaches that can be taken: a chargeback claim or a Section 75 claim. Tesco Bank isn't required to make a chargeback claim but we would consider it good practice to do so in certain circumstances. However, it isn't unreasonable that a chargeback claim wouldn't be pursued if it was unlikely to succeed. Given in this case, Mr M authorised the payment for repairs, and the repairs he paid for were undertaken, I do not find it unreasonable that the chargeback process wasn't pursued.

I have therefore considered whether Tesco Bank acted reasonably by not upholding Mr M's Section 75 claim. Section 75 allows, in certain circumstances, for a consumer acquiring goods or services on credit to claim against their credit provider over the actions of a third party supplier. In this case Mr M paid for the repairs using his Tesco Bank credit card and the amount paid fell within the limits for a claim.

For a valid Section 75 claim either a misrepresentation needs to have occurred or a breach of contract. Mr M contacted the merchant about repairs to his car. He provided photographs of the damage he wanted repaired and asked the merchant if this was possible. The merchant responded saying that to repair the two nearside doors and nearside rear bumper it would cost £648 plus VAT. Mr M says that he wasn't provided with the merchant's terms and conditions at this point, but I note these were available on the merchant's website and set out that any estimate provided prior to inspection is indicative and subject to revision.

Mr M says he was provided with a fixed price. I understand this point but when the repairs were being undertaken further costs were identified. I appreciate that Mr M thinks the paint type required and additional work he was charged for should have been apparent from the information he provided when asking for price and as such the price was misrepresented. But in this case, I do not find I have enough to say that the price was misrepresented.

I say this because the merchant provided a price for repairs based on what it believed to be the work involved from the photographs. It hadn't inspected the car at that time. While the merchant didn't reference its terms and conditions when providing the price these explain that a price can be subject to change and given the nature of the service, I do not find it unreasonable that when the car was inspected further work was identified that hadn't been picked up before the initial price was provided. Therefore, I accept the initial price provided was based on the merchant's best estimate of the work involved and I do not find it unreasonable that it would alert Mr M to any extra work and costs that was identified.

When the merchant saw the car it spoke to Mr M about the extra charge for the paint required and this was agreed. Once the repairs had started, Mr M was contacted to say further damage had been spotted on the trim of the car door and this repair would cost extra. I understand Mr M's point that as the repairs had started when he was told of the extra costs, he felt he had no choice to accept, but I do not find I can say the price was misrepresented to him. Mr M was provided an initial price based on the assessment of the photographs, he was then informed of the extra cost for the paint and when further damage was identified he was told of the cost of this additional repair. I understand Mr M didn't want to accept the additional costs, but he was informed of these in advance of them being incurred and he agreed. Therefore, I do not find I can say that there has been a misrepresentation in regard to the services provided.

I have also considered whether there has been a breach of contract and in this case, I do not find there has. Mr M engaged the merchant to carry out repairs and these happened. I have nothing to suggest these weren't to a reasonable standard.

Based on the above I do not find that Tesco Bank did anything wrong by not upholding Mr M's Section 75 claim.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 October 2023.

Jane Archer  
**Ombudsman**