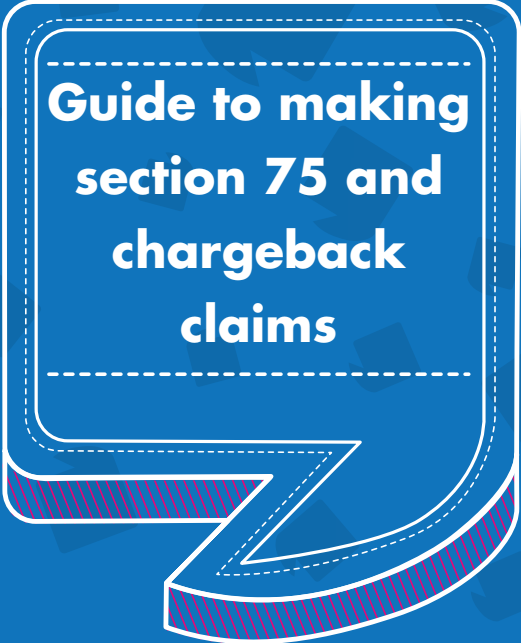


## Section 75 Claims

Section 75 of the Consumer Credit Act 1974 says that a credit card company is 'jointly and severally liable' for any breach of contract or misrepresentation by the company to which you have paid money. This means it may be equally responsible for the service provided by a claims management company (CMC). You may be able to make a claim to your credit card provider to request they address the poor service, or they refund any fees you have paid up-front.

This may be useful if the CMC has ceased trading, or gone into liquidation.



## Guide to making section 75 and chargeback claims

### What are the limitations of a Section 75 claim?

- The service you have paid for must have cost over **£100** and **not exceeded £30,000**.
- You don't have to have paid the full amount on your credit card - the credit card company may be liable even if you made only part of the payment on your card. It is the value of the service you have paid for that is key, not the amount paid on the card.
- Section 75 does not apply to debit cards – see below for further information on **chargeback claims**.

## Chargeback claims

### How does chargeback work?

Your Debit card provider can refund a payment made to a CMC if you encounter problems with the service they have provided to you.

Chargeback can also be used in circumstances where you have paid for a service and the value of that service is less than £100 (and cannot therefore be claimed from your Credit card provider using Section 75).

### When can chargeback be used?

Similar to how a Section 75 claim works, a chargeback can be used in circumstances where a CMC has not provided the service they said they would, if they have ceased trading, or if they have gone into liquidation.

You can make a claim to the debit card provider and the bank may attempt to recover the money you have paid to the CMC. If they are successful in reversing the transaction, the bank would normally re-credit your debit card account.

As chargeback is not covered by the Consumer Credit Act 1974, it is not as certain that you will receive a refund of the fee you have paid; it may depend on whether the CMC has the cash to provide a refund and that they do not object.

## **What are the limitations of a chargeback claim?**

- For a claim to be successful there must be a breach of contract.
- There may be time limits for claims to be made. Please seek clarity from your debit card provider.

## **General Advice about making Section 75 or chargeback claims.**

If your claim is unsuccessful, then in both cases, you can contact the Financial Ombudsman Service to complain.

If your card provider declines your claim, they should let you know that you can raise a complaint with the Financial Ombudsman Service in their final response letter. If you do wish to complain to the Financial Ombudsman Service, you should do so within 6 months of the date of the final response. If you do not raise your complaint with the Financial Ombudsman Service within 6 months, it is possible that they will not accept it.



## **If you have any questions then feel free to contact us:**

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