

# Credit Card Purchases - Your Rights

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Debit card or credit card? This question may seem insignificant at the time of purchase but can have serious ramifications down the line if something goes wrong.

Purchases of over £100 and up to £30,000 made by credit card receive added legal protection if, for example, the item you ordered never arrived or the tour operator you booked your holiday with goes 'bust'.

Under Section 75 of the Consumer Credit Act 1974, the credit card company is equally liable with the provider of the goods or services. This means they are under a duty to refund the consumer for the full amount if something goes wrong. They must do this free of charge so be careful not to get caught out by any hidden fees.

Once more, this protection is still provided even if you closed your credit card account since you made the purchase in question.

While credit cards are the main area covered by Section 75, it also covers store instalment credit, store cards and some car finance agreements.

However, like with many legal protections, there are scenarios where Section 75 will not come to the rescue, or an alternative remedy may be more appropriate. While not exhaustive, it is important to remember the following:

(a) If the issue concerns faulty goods, it is worth checking your warranty rather than using Section 75. This is only if the warranty is with the manufacturer rather than the retailer who you bought the goods from. In this case, if the warranty is still in date, no claim under Section 75 can be made.

(b) The single item or service must be over £100. While this may seem straight forward, matters are complicated if you buy two items which together are over £100 but are individually under this amount. For example, if you purchased a pair of shoes for £95 and some shoe protector for £10, neither item would be covered unless they were being sold as a package for one single price.

(c) There are also some purchases that are not covered by Section 75 at all. For example:

- The purchase of land
- Goods or services purchased via a 'buy now, pay later' services such as Klarna
- Goods or services purchased via intermediaries such as PayPal and travel agents

\*Please note that there are some exceptions to these exclusions. It is therefore important to assess each matter on a case by case basis and ask for legal advice when asserting your rights.

If you require any further advice about asserting your rights when a credit card purchase goes wrong, please contact a member of our Litigation Department on 01384 371622.