

Your Legal Questions

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Q I have purchased some goods which I paid for with my credit card. The goods are faulty and I want my money back but the supplier appears to have gone out of business. What can I do now?

A Provided that the cash price of the goods was more than £100 but not more than £30,000, then under Section 75 of the Consumer Credit Act 1974 you will have the same rights against the credit card company as you had against the supplier of the goods for any breach of contract or misrepresentation on the part of the supplier. Therefore, if you have a claim against the supplier because the goods are faulty you will have a like claim against the credit card company.

The credit card company will be equally liable with the supplier and the consumer can choose whether to claim against the supplier, the credit card company, or both. You will not, therefore, need to have pursued a claim first against the supplier before directing the claim to the credit card company.

Whilst credit card purchases are covered, debit and charge cards (which have to be paid in full by the card holder each month) are not. Nor are credit card cheques covered because they could be made payable to anyone and not just to suppliers appointed to accept the credit card. Similarly, if you use your credit card to draw cash and then make a purchase with that cash, you will not be covered.

The claim is not limited to the amount that you paid for the goods. If you have suffered any losses as a result of the supplier's breach of contract or misrepresentation then those losses can be claimed against the credit card company, as well.

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