



KEEP ON TOP OF CREDIT

With Christmas just around the corner, your thoughts will have no doubt turned to buying gifts – and if you're considering a substantial purchase you may be using credit to spread the cost. The experts at the Financial Ombudsman Service explain how you can protect yourself when using credit.



Credit is widely used, so it's perhaps not surprising that last year more than 30,000 people contacted the Financial Ombudsman Service about a wide range of credit-related issues. Set up by law, the ombudsman is a free service which has the power to sort out problems between consumers and financial businesses.

CREDIT WHERE IT'S DUE

If you decide to use credit to buy goods or services, you could be protected legally by something called Section 75 of the Consumer Credit Act if something goes wrong and you don't receive your purchase or it isn't of the required standard.

Section 75 only applies in certain circumstances but, if these are met, you may be able to get your money back from the company that provided you with the credit. These include:

- The total price of the purchase made on credit must be more than £100 but less than £30,000. You may still be covered if you paid for part of your purchase with cash.

- Not all credit agreements are covered so check your contract – debit and prepaid cards are not covered.

- If the company which takes the payment is not the supplier of the goods, it might not be possible to use Section 75 to get your money back.

'UN-FITTED' KITCHENS

In a recent case seen by the Financial Ombudsman Service, Brian Hammond was unhappy with the worktops he purchased using his credit card from a specialist in designer kitchens. He spoke to his credit card company to say that the worktops did not fit properly and had been badly finished. The business rejected his claim, saying that the poor workmanship was not a 'breach of contract' and that the work had been completed to a satisfactory standard.

Mr Hammond contacted the ombudsman, who agreed that the work had been badly completed and told the credit card provider that they should pay the cost of putting the worktops right in this instance.

THERE WHEN YOU NEED THEM

Hopefully, you won't need to complain about a problem with a credit provider but, if you do, you should find the problem is dealt with quickly and efficiently. However, if things don't go smoothly, the Financial Ombudsman Service may be able to help.



To find out more visit
www.financial-ombudsman.org.uk
or phone 0300 123 9 123.