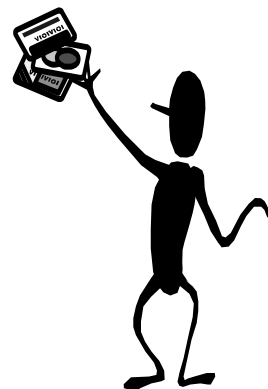


EQUAL LIABILITY

EXTRA PROTECTION FOR YOU WHEN YOU USE A CREDIT CARD, OR IF A TRADER ARRANGES A LOAN FOR YOU TO HELP BUY THEIR GOODS.

This protection is available if you use a Credit Card such as Visa and Mastercard. It does **not** apply to Debit Cards such as Switch, Solo, Electron and Visa Delta, or Charge Cards such as American Express (green cards) and Diners Club. It is also available if a trader arranges a loan for you to buy Goods and services from them.



WHAT DOES THIS MEAN?

When a customer buys goods and services he or she enters into a contract with the trader. If things go wrong this often results in a breach of this contract e.g. goods become faulty or a service is carried out to a very poor standard. The Consumer Credit Act 1974 makes the both the trader and the card company responsible if things go wrong. The credit card company and the trader are **equally liable** for the performance of a contract.

HOW DOES THIS WORK?

If you are in dispute with a trader and you paid using a credit card, you can also make a claim against your credit card company. If you have to go to court to resolve your complaint you can sue both the trader and the credit card company. This is particularly useful if the trader you used has gone out of business or if you bought the goods abroad as you can still make a claim against the credit card company.

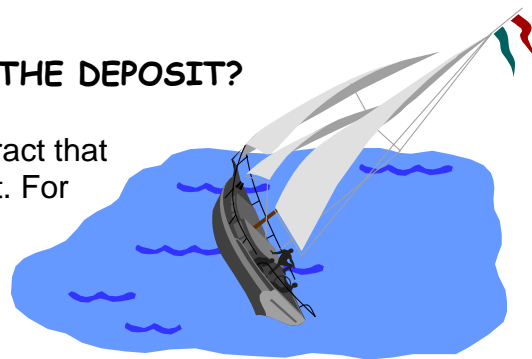
ARE THERE LIMITS TO THIS LIABILITY?

Yes. To benefit from this extra protection the contract price must be between £100 and £30,000. You must also be starting your claim within 6 years from the date of the breach of contract. If you have bought goods on behalf of another person the credit card company may not be liable.

NB It is the contract price that determines whether or not you can make a claim - not the size of the deposit. The deposit paid on the credit card could be as little as £1 and provided that the contract price is between £100 and £30,000 you will be able to make a claim.

WHAT IF I ONLY USED THE CREDIT CARD TO PAY THE DEPOSIT?

This is not a problem. It is the agreed price of the whole contract that determines how much is at stake – not the size of the deposit. For example: a customer goes to buy a boat priced at £10,000. The sale is agreed and the customer pays a £50 deposit on a credit card. The boat leaks! Both the credit card company and the seller could be liable for the breach of contract. The credit card company could be liable for the full amount of the claim, their liability is not limited to the size of the deposit.



HOW DO I COMPLAIN?

If things go wrong, go back to the trader to try to sort it out. If this fails contact your credit card company and ask them to help. It is always good practice to put your complaint in writing. The credit card company may resolve the complaint. If this does not work then you can take your claim the County Court to sue both the trader and the credit card company. If the credit provider denies liability for such a claim – persevere – write again making it clear that you are making a claim under section 75 of the Consumer Credit Act 1974.

DO THE SAME RULES APPLY IF A TRADER ARRANGES CREDIT FOR ME?

Possibly – look at the credit agreement you signed. If it has a title “Credit Agreement regulated by the Consumer Credit Act 1974”, then they do. Both the trader and credit company are equally liable for the contract.

Different rules apply to Hire Purchase agreements, Conditional Sale agreements and Hire agreements. Equal liability will not apply if you arrange the loan yourself or to cheques issued by the credit card company for you to use.

I PAY MY CARD OFF EVERY MONTH - CAN I STILL MAKE A CLAIM?

Yes you can. As long as the contract value is between £100 and £30,000 and you paid at least a deposit on your credit card.

I BOUGHT GOODS ABROAD - CAN THE CREDIT CARD BE HELD RESPONSIBLE IF THERE IS A PROBLEM?

Yes – A case was recently heard in the House of Lords which confirmed that your credit card company can be held liable when you use your credit card to buy goods and services whilst abroad.

Trading Standards Website: www.tradingstandards.gov.uk/kent

For further consumer advice please call Consumer Direct on the local rate number given below

08454 04 05 06

