



Your flexible friend: How credit cards can protect your cash

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It's not always easy to know what extra benefits you are entitled to when you pay by card – so try this quiz to see how much you know about the protection you get from paying with plastic.

Using credit card + bank transfer

You bought a new sofa costing £2,000 – you put the **deposit of £500 on a credit card**, and then paid the **remaining £1500 by bank transfer**. But the sofa company goes out of business before delivering the sofa.

Q. What can you do?

A. You are entitled to claim the **FULL** £2,000 from the credit card company because you paid a deposit by credit card.

Using a debit card

You put a £50 deposit down using your debit card when buying a TV from a local shop. The shop has gone out of business before delivering the TV.

Q. What can you do?

A. Your bank can do a chargeback and you should get your deposit back.

Using a credit card

You used your credit card on holiday to buy a £300 diamond ring that turns out to be a fake when you take it to a jeweller when you get back to UK.

Q. What should your credit card company do?

A. They should investigate and you should be refunded.

So the message is that you **DO** get lots of protection when things go wrong when you pay by credit – and sometimes – debit card too. But don't think that because you are entitled to that protection you will get it easily. You need to be confident and assertive when you call your credit card company or bank. You need to mention that you think you are entitled to a "chargeback" – the technical term for

them giving you the money back – and also it's a good idea to mention "Section 75" – this is the bit of the law that covers you in these situations. Being armed with this info means you are less likely to be fobbed off.

If you still get no joy – and you think you were entitled to your money back – you can go to the Ombudsman. You have to lodge a complaint with the company first – but if you hear nothing within 8 weeks, then say you are going to take the matter to the relevant Ombudsman.