

## **The complaint**

Mr T on behalf of J Ltd complains that Barclays Bank Plc (trading as Barclays Commercial) didn't appropriately handle a claim of disputed transactions.

Mrs T is Mr T's representative but I'll treat all the submissions as having come from J Ltd for ease of reading.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of events below.

- J Ltd disputed transactions made in July 2019 to a hire car company (B Ltd) for the amounts £1,054.19 and £606.53.
- Barclays processed chargeback claims for J Ltd and as a result applied temporary credits to J Ltd's account.
- B Ltd did not defend the chargeback claims and so the chargeback claims were successful in October 2019.

J Ltd complained that the transactions should have been deemed fraudulent and refunded appropriately using a more appropriate reference on its bank statement to recognise this. It also complained that the chargeback process caused it out of pocket expenses.

Barclays responded to J Ltd's complaint and explained the transactions were appropriately disputed in accordance with its processes. It apologised for not actioning emails quicker and credited J Ltd's account with £50 for any inconvenience caused.

One of our investigators looked into J Ltd's complaint. He didn't think Barclays should do anymore as he was satisfied it followed its processes correctly and the compensation paid was sufficient to recognise the inconvenience caused.

J Ltd didn't agree because it didn't think the response sufficiently addressed its complaint nor did it recognise the distress and inconvenience caused. It asked for an ombudsman to review the complaint, so the complaint has been passed to me for determination.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I don't uphold J Ltd's complaint and I'll explain why.

When J Ltd first contacted Barclays about its disputed transactions claim, it explained it had an agreement with B Ltd but it had charged a card that was used for the purpose of pre-authorisation only and it paid for the hire car using a different card. It explained it tried to resolve this with B Ltd directly but it was unable to. Barclays was satisfied that J Ltd's correct

card and PIN details were used to authorise the transactions so it offered to process chargeback claims on its behalf to recover the funds.

J Ltd had an agreement with B Ltd and J Ltd alleged that it had already paid the amounts due in accordance with the agreement using another payment method. This was a cardholder and merchant dispute rather than an unknown party debiting money from J Ltd's account. Given the nature of J Ltd's dispute with B Ltd, I agree that chargeback claims were the most appropriate option for Barclays to assist J Ltd with in order to recover its funds. This is because the chargeback scheme is used for cardholder and merchant disputes.

I have noted Barclays applied temporary credits to J Ltd's account and the reference on J Ltd's statement was listed as 'PSD TEMP DISPUTE CREDIT'. J Ltd was unhappy with this wording as it suggested the credits were temporary and could be reversed at any time. I do acknowledge J Ltd's concerns with the uncertainty of the wording on its statement but Barclays has the commercial discretion to decide how it credits its customers' accounts following a dispute claim - particularly when those credits can be returned to the merchant's bank should a chargeback claim fail. I don't think Barclays should change the wording on J Ltd's statement and I'm satisfied it has confirmed to J Ltd and to this service that the credits are now permanent.

I think J Ltd could have received better customer service when it didn't respond to J Ltd's emails and Barclays has acknowledged this with a £50 compensation payment which has been credited to J Ltd's account. I don't think Barclays should increase its compensation award and I think this was a fair amount to recognise J Ltd's inconvenience in having to email Barclays more than it needed to.

I recognise J Ltd paid a representative 950 Euros to handle this claim on its behalf. I don't think Barclays should pay these costs because it did not ask J Ltd to pay for a representative to handle this matter, this was a choice made by J Ltd and it should pay for those costs. I also recognise that J Ltd said this matter caused it a lot of distress and it was a painful process. But it's important to remember that J Ltd is acting in the capacity of a limited company which cannot itself be caused distress or pain. That's not to say its employees can't personally be caused distress but I cannot consider the employees personal distress in handling a claim for a limited company. In any event, given the timeframe a merchant has to defend a chargeback claim (45 days from the date the claim was processed), I don't think Barclays significantly delayed matters. It could have been quicker, but I've noted it immediately applied temporary credits following J Ltd's claim about disputed transactions whilst it reviewed and processed J Ltd's chargeback claims against B Ltd. Therefore, it was not out of pocket during the chargeback process. So I make no award in relation to J Ltd's claim for distress.

### **My final decision**

For the reasons set out above, I am not persuaded that Barclays Bank Plc (trading as Barclays Commercial) acted unfairly or unreasonably with regard to J Ltd's disputed transactions claim. Because of this, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 28 January 2022.

Dolores Njemanze  
**Ombudsman**