

The complaint

Mr A complains that Barclays Bank UK PLC failed to refund several transactions he didn't recognise.

What happened

Mr A received a message from Barclays which prompted him to check his account. He saw three transactions to an online betting merchant I'll refer to as D. Mr A notified Barclays that these transactions weren't carried out by him.

Barclays investigated the circumstances and provided a temporary refund to Mr A whilst they carried out a chargeback request. This is a process that enables card payments to be challenged and requires the merchant (D) to defend their right to take the payments from Mr A.

D responded to Barclays with evidence to show they were entitled to the funds. They supplied details that showed an account in the name of Mr A had been set up some years previously and the information matched those that Barclays had also recorded for Mr A, including his home address, telephone number and email address. D also recorded the IP address used to make the payments to them that Mr A was disputing. IP addresses relate to physical locations recorded when online activity takes place. They can record various aspects of the activity and sometimes indicate the location of the user, but they can also indicate a location linked to the online provider. In Mr A's case, the details they recorded were an exact match for the details Barclays had recorded when Mr A used his Barclays Mobile Banking app (BMB).

D also explained that each time a deposit was made, the card holder had to enter the three-digit security number (CVV) from their card to confirm the transaction. Barclays data recorded that each of the disputed transactions used the CVV, together with all the other details from Mr A's debit card.

Barclays sent Mr A a copy of the evidence they'd received from D. They asked Mr A to respond with any further comments or evidence he had and gave him ten days to reply. Mr A has said he never received that letter and once the ten days expired, Barclays stopped challenging the payments under the chargeback arrangements. They then held Mr A liable for the transactions and redebited the temporary refund from Mr A's account.

Mr A made a complaint to Barclays that he wasn't responsible for the disputed transactions and he'd not received the evidence in order to reply to them. Barclays later sent a copy of the evidence to Mr A, but their records show they never received anything back about the information D had provided.

Barclays wrote to Mr A and explained they weren't going to refund him because D had presented sufficient information to link Mr A with the transactions. Mr A was unhappy with how Barclays had dealt with his complaint and brought it to our service for an independent review.

It was looked into by one of our investigators who received more information from Mr A – he said that he lived in a premises with multiple other people and he'd recently lost his phone for a while but had since got it back again. He explained that he'd recently lost his card and it was replaced by Barclays.

Mr A thought his phone had been hacked which was the reason for these disputed transactions. Mr A later explained that he kept his passcode written in a book in his room, but he hadn't given it to anyone. He also confirmed he still had his card at the time of the disputed transactions. Once our investigator had looked into the details, she thought it was reasonable for Barclays to hold Mr A liable for the transactions. It was further explained that Mr A's BMB log ins coincided with the disputed transactions and she thought it unlikely that a fraudster would use an account that was in the name of Mr A to send payments to D. This was because any winnings would be paid back to Mr A's debit card and make it difficult for someone other than Mr A to utilise any winnings.

Mr A disagreed with the outcome and asked for a further review of his complaint which has now been passed to me for a decision.

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.

The relevant law surrounding authorisations are the Payment Service Regulations 2017. The basic position is that Barclays can hold Mr A liable for the disputed payments if the evidence suggests that it's more likely than not that he made them or authorised them.

Coming to the question of authorisation, this is made up of two parts. Authentication and consent. Authentication is usually referred to as the technical evidence and in this case, Barclays have supplied evidence that shows the debit card details, including the CVV were used to make the transactions. I'm satisfied that the evidence shows all the disputed transactions were authenticated.

Consent refers to the way in which Barclays and Mr A agreed to use the card for transactions. For example, when using the debit card details to complete an online purchase, Barclays agree to accept that this is a legitimate payment instruction made by the cardholder or another approved user and make the payment on their behalf. The transactions in this case used the debit card details including the CVV, so I'm satisfied that consent was given, and the disputed transactions were authorised. But, there are exceptions where it wouldn't be appropriate for Barclays to hold Mr A responsible, for example if the card was used without his permission.

Mr A has explained that he lives with several other people and at some stage before the disputed transactions took place, he temporarily lost his phone. Mr A has speculated that his phone could have been hacked and is the reason for the disputed transactions. He also explained that his card had recently been replaced and he keeps the security information for his phone written down in a book which is kept in his room.

Mr A's domestic arrangements provided an opportunity for other persons to gain access to both his phone and the security details to access it. It also appears that his phone was mislaid for a short while. However having considered these circumstances, I don't think this is the likely explanation for the disputed transactions. I say that because the transactions used the debit card details rather than the phone. These transactions needed all the details from the debit card, along with the CVV – which is only recorded on the debit card. Mr A confirmed that he'd recently lost his card and Barclays had replaced it, and it was the new

card that was used to make these transactions. Mr A kept the card in his wallet and still had it at the time of the disputed transactions. There doesn't seem to be an opportunity for someone else to obtain the necessary card details to make these transactions.

Additional knowledge of Mr A's personal information would also be required to make the transactions, including his date of birth, address and email address. Whilst some of that information would be available to other persons in the property, the combination of necessary information seems unlikely when I also consider that Mr A was using his BMB at the same time these transactions took place. We know that at the time of the transactions, Mr A had his phone because he received the message from Barclays that prompted him to check his account.

The IP address data is an exact match between the records supplied by D and the BMB audit information from Barclays. I've thought about the possibility of another person in the household gaining access or using the same internet service, and whilst it's possible that a similar IP address could have been generated from a person using the same internet service at the property, it's highly unlikely to be an exact match due to the part of the IP address that records the actual device itself, which it was here.

Mr A has denied he set up an account with D, although D's records show the account was originally set up some years beforehand. I don't think it's a common approach for an unauthorised third party who had all the necessary information to use Mr A's debit card details with a gambling merchant. That's because any withdrawals or winnings would be paid back to the same account they came from. The risk of using the card details with a gambling merchant seems very high, particularly when someone who was going to defraud Mr A and steal his funds could easily use the card details and other private information with far less risk.

I also don't think these transactions were made by an unauthorised third party as it's highly unlikely they'd be able to find out the account details with D that were some years old – particularly when Mr A has denied ever setting it up in the first place. The scenario where someone set up an account in Mr A's name and is then able to obtain his debit card details years later seems highly unlikely.

Whilst I'm sure Mr A will disagree with me, when I've considered all the evidence, my objective conclusion is that I think it's more likely than not, that Mr A was responsible for making these transactions and it follows that it was reasonable for Barclays to hold him liable for them.

Non receipt of chargeback letter.

Mr A also thought Barclays hadn't dealt with the chargeback properly because they didn't give him an opportunity to respond when D sent their evidence. Barclays have said they sent the letter and have produced a copy of the covering letter, but there's some doubt raised in their own records about whether it was actually sent. So, it's not clear if the evidence ever reached Mr A within the timeframe laid out in the letter. The chargeback process has strict timings and when Barclays hadn't received any further response from Mr A, they were no longer able to challenge the payments on Mr A's behalf.

What that means in practice is that Barclays needed to be able to show that Mr A wasn't responsible with evidence they could send back as part of the chargeback process. Barclays resent the evidence to Mr A after the deadline had passed but their records show that they didn't receive anything further from Mr A. So, whilst it's unclear if Mr A had been given a chance to provide further evidence, I don't think this changed the ultimate outcome. That's

because the information supplied by D and Barclays shows it was unlikely to be anyone other than Mr A that made the transaction.

It was unlikely that the chargeback could have been successful due to the evidence supplied by D. So, I don't think Mr A's chargeback claim was disadvantaged, whether he received the evidence or not, because the evidence from D and Barclays showed Mr A was likely linked to the account and he'd made the payments.

I've also examined all the information supplied by Mr A in the course of his complaint and if I thought that he wasn't responsible for the transactions, I would have instructed Barclays to refund them. But, as I've already explained, I've found that Mr A was more likely than not responsible for them and I won't be upholding this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 February 2022.

David Perry
Ombudsman