

## **The complaint**

Mr F complains that Barclays Bank UK Plc won't refund payments made to a company he considers fraudulent. He also complains about the service provided to him. He'd like the money returned to him.

## **What happened**

Mr F holds a current account with Barclays. In May 2020 he began to deposit money with a gambling website based abroad, using his Barclays debit card.

Mr F had difficulty withdrawing his winnings from the website. He investigated the merchant further and came to the conclusion that he's fallen victim to a scam. He contacted Barclays and tried to get his money back.

Barclays initially told him to wait for seven days, and if the merchant didn't get back to him, they could raise a dispute over the payments. Mr F had no further response from the merchant, so got in touch with Barclays again.

Barclays requested more information from Mr F to raise a chargeback claim. But there were multiple issues with how Barclays handled the claim – they sent multiple letters to Mr F requesting he sign a disclaimer, and a duplicate dispute was raised. Mr F complained about the number of letters he received, and Barclays agreed to pay him £75 compensation.

Barclays temporarily credited Mr F's account with the amount in dispute while the chargeback was raised. They later received evidence from the merchant to defend the claim, which they shared with Mr F. They declined to pursue the chargeback claim further. But they accepted that the claim had taken a long time to resolve, so paid Mr F a further £50. The temporary credit was removed from Mr F's account, leaving the balance overdrawn.

Mr F referred the complaint to our service. One of our investigators investigated what happened. They thought that Barclays hadn't fully grasped what Mr F was complaining about and hadn't asked for the right information to pursue the chargeback claim. They felt the service was confusing and involved a lot of duplication of generic requests. But they also felt on the balance of probabilities it was unlikely the chargeback claim could have succeeded, as Mr F wasn't able to supply evidence of any winnings or attempts to make withdrawals being denied. But they accepted Barclays had caused Mr F a degree of inconvenience and distress and suggested an additional £100 compensation.

Barclays agreed to this. Mr F disagreed saying he didn't think she should repay the amount in dispute. As no agreement could be reached the case has been passed to me to decide.

## **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.

It's not in dispute that Mr F authorised the payments to the gambling merchant. As they were paid for using Mr F's debit card details the starting position is Barclays wouldn't be liable for refunding them, even if they were to a fraudulent service. Mr F doesn't have an automatic right to a refund to the amounts spent.

What Barclays have done is raise a chargeback. It's important to bear in mind that chargeback isn't an automatic consumer right, rather it's a mechanism by which a bank can attempt to recover money for their consumer. The rules when a chargeback can be raised, the time limits involved and what evidence is required, are generally laid out by the card scheme – which in this case is VISA.

I can see that Barclays raised a chargeback for all of Mr F's transactions to the gambling merchant, and I'm satisfied that was the right thing to do in the circumstances. Because they were all raised individually, it seems this is the reason Mr F received dozens of letters for the dispute. I can see how Mr F would be concerned by this.

The letters Mr F received seemed very generic, and likely part of an automated process. They asked him for information on what he ordered and what he received – which isn't a relevant question in the context of his dispute. I can see why this would lead to his confusion, especially as he had been quite clear what had happened when reporting the issue to Barclays. I don't think the communication to Mr F was very clear on how the chargeback process worked.

Because of the time limits involved Barclays should have been more live to the situation and asked Mr F for more relevant information at the earliest opportunity, such as the terms of the gambling merchant, proof that he had winnings in the account to withdraw, and any correspondence where the merchant had refused to pay out winnings. This is the type of evidence I'd generally expect to see to evidence Mr F's side of the story, and for Barclays to consider when deciding whether to take the chargeback to VISA arbitration.

However, Mr F hasn't been able to supply this information to our service. And while at the time he did submit evidence of poor reviews and bad practices from other customers of this merchant at the time, this isn't specific to his dispute about withdrawing funds with the merchant. I think it's unlikely that even if Barclays asked for the correct information that he would have been able to provide it.

It follows that it's very unlikely the chargeback would have succeeded at arbitration. So, despite Barclays not being the most helpful with the chargeback process I wouldn't therefore expect Barclays to refund Mr F for the money paid to the gambling merchant.

But I can see how Mr F would be left distressed by Barclays handling of his chargeback claim. I also note that while the letters about the dispute say the money has been "temporarily refunded" they don't make it clear the money will be removed afterwards if the dispute is unsuccessful. Likewise, the letters confirming the dispute was unsuccessful say the money can't be refunded, but they don't go on to confirm the temporary credits will be removed.

While Mr F ought reasonably to have been aware this was a possibility, it would have been fairer for Barclays to be very clear about this with him. This has left an amount Mr F owes Barclays. Because these are transactions he authorised, and the chargeback didn't succeed, it's reasonable for Barclays to ask him to repay this.

Ultimately, in addition to the problems Barclays have already accepted with Mr F's claim – that the number of letters sent was unnecessary and that the claim took too long – Barclays could have engaged with Mr F more to explain what information he'd need to provide and

what would happen through the chargeback process. Barclays are the expert here, while Mr F was in a difficult situation and believed himself to be the victim of a scam. I would have expected more empathy and help to be provided, and I'm satisfied this led to further distress to Mr F.

When thinking about the complaint as a whole, I would say Barclays should pay Mr F a further £100 to the £125 already paid to reflect the impact of this on him.

### **My final decision**

My final decision is that Barclays Bank UK Plc must pay Mr F a further £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 20 April 2022.

Thom Bennett  
**Ombudsman**