

## **The complaint**

Mr S complains that Barclays Bank UK PLC failed to refund him transactions he didn't recognise which impacted his credit score and they were unprofessional when he reported the situation to them.

## **What happened**

Mr S approached Barclays about transactions that had been made from his account to a merchant who I'll refer to as P amounting to £7,000. P are an online gambling business. Mr S asked Barclays for a refund because he didn't recognise the transactions. Barclays started a fraud investigation and contacted P about the payments.

Mr S received a temporary refund from Barclays which was immediately removed from the account by him. Mr S later told Barclays that P had failed to pay him winnings he believed he was owed. Barclays reassessed the situation and because Mr S had told them he'd made these transactions himself, they no longer had the grounds to challenge them against P.

Barclays only took back part of the temporary refund (£2,080), leaving the rest in Mr S's account. P later informed Mr S that this money was from them after Barclays had started their fraud investigation and they (P) had taken the loss themselves.

Mr S complained to Barclays about the removal of the funds from his account and that his credit profile had been impacted by how Barclays had handled the situation. Mr S was also unhappy with how he was treated by Barclays during their investigation.

Barclays looked into the complaint and didn't agree that they'd made any error. Barclays wrote to Mr S and explained that because he'd made the transactions, they were holding Mr S liable for them.

Mr S disagreed with them and brought his complaint to the Financial Ombudsman Service for an independent review. Mr S's complaint was looked into by one of our investigators who asked both parties for information about the complaint. Mr S explained that he was due a refund from Barclays, but they took back part of it. Mr S later explained that he was in dispute with P about his winnings and that Barclays had denied him the appropriate refund.

Barclays provided information about the complaint and details of the transactions from Mr S's account to P. Barclays explained that the refund Mr S was given was a mistake, but they weren't going to ask for the remainder to be paid back.

Our investigator thought that it was reasonable for Barclays to take back the refund (£2,080) because Mr S authorised the transactions himself. She also thought that the refund Mr S was able to keep was in excess of any award she might have recommended for poor customer service. Mr S disagreed and made a further claim of additional disputed transactions which have been registered as an additional investigation by Barclays and don't form part of this complaint.

Mr S's complaint 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.

Mr S confirmed to our investigator that he'd had an issue with the merchant (P) and was in dispute with them about his "winnings" – he said:

*"I raised this merchant dispute (P) dont pay my winnings 15 k£"*

Barclays also provided details of a similar comment by Mr S, although at some stage Mr S also denied making these transactions. It's apparent that Mr S was having a dispute with P about his account with them. He believed they owed him money from online gambling.

Firstly, I have to determine the issue of authorisation – put simply if the evidence indicates it was more likely than not that Mr S authorised these transactions, then he wouldn't be due a refund based on the transactions he's disputed. Because Mr S confirmed he'd made them - based on a dispute about winnings – then I don't need to further consider the issue of whether the transactions were authorised.

From looking at the evidence from both parties, Mr S asked Barclays to obtain a refund for him. Mr S was given a temporary refund of about £7,000 whilst Barclays looked into the matter. The same day the refund was paid to Mr S, most of it was transferred out of the account. Barclays have said that they made a mistake when they attempted to obtain a refund for Mr S. Once they realised he'd authorised the transactions, they withdrew their efforts to obtain a refund.

By this time, over £4,000 had been refunded, although it's not clear if P or Barclays made the payment to Mr S. Barclays took back the remaining temporary credit – amounting to about £2,000. Barclays have confirmed that whilst they believe Mr S wasn't entitled to the refund, they're not going to ask him to pay back the bulk of the refund.

Mr S continued to pursue Barclays for the remainder of the refund, but I think it was appropriate for Barclays to decline him the remaining monies because he authorised the original payments and received a service from P. I'm not aware of the details of Mr S's dispute with P, but for the purposes of this complaint I don't think it's relevant.

That's because Mr S authorised the original transactions and Barclays were unable to use the VISA system to challenge the transactions. They've explained that there isn't a reasonable chance of success using the VISA system and I'm inclined to agree. From looking at the submissions, the only likely way to challenge the payments is if P had already provided Mr S with documents agreeing to pay him monies following the dispute (but hadn't).

If Mr S had such a document, he'd have been able to use that as evidence for Barclays to pursue a refund from P, but as far as I'm aware, P didn't issue such a document, which means there's no likely grounds for a successful challenge using the VISA system.

I appreciate Mr S was having financial difficulties at the time, but I can only instruct Barclays to make a refund if they've somehow failed Mr S with how they've approached the issue. I don't think they have here, so won't be asking them to do anything further.

Mr S also complained about the way he was treated by Barclays. I've listened to many calls between Mr S and Barclays and read the contact notes. I didn't read or hear any times when Barclays were rude or unprofessional to Mr S. I did note that on some occasions, Mr S was left frustrated by calls dropping and having to wait for periods on hold. I understand his

frustration about this, but I don't think there's evidence to show Barclays were rude or unprofessional towards Mr S.

Mr S had a number of issues with Barclays involving other accounts and I think this complicated matters. It would have been beneficial to isolate Mr S's particular complaints, but I understand that in the context of the calls, this was sometimes difficult.

I appreciate Mr S was also concerned about his credit scoring, but as Mr S authorised the original transactions and wasn't due any refund (even though he received a significant sum back into his account), I don't think the subsequent operation of his account was due to how Barclays dealt with him. Barclays are required to accurately report the operation of the account in the context of any credit products (including overdrafts). Because Mr S found his account in such an overdraft, I don't think it was unreasonable for Barclays to report this activity.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 October 2022.

David Perry  
**Ombudsman**