

The complaint

B, a limited company, complains that Barclays Bank UK Plc has refused to refund it for transactions it says it didn't authorise.

B is represented in this complaint by Mr J, it's director.

What happened

B had an account with a supplier, which I'll call T. B regularly made card payments to T for materials. In January 2022 Mr J says he realised that payments had been made to T which he had not agreed to, so he contacted Barclays. Over the next month Mr J raised a series of disputes with Barclays about at least seven payments to T which took place between February 2020 and July 2021. Mr J believes that somebody at T has used his card details without permission to make the payments.

Barclays raised several separate fraud claims for B, and asked Mr J to complete fraud disclaimer forms for each claim. Only two of those forms were returned – relating to five transactions which took place between August 2020 and July 2021 – and so Barclays only fully investigated those payments. Having done so, Barclays did not agree that there was evidence of fraud or that a third party had made the payments without authorisation. Barclays did though pay B £50 to recognise that the information it provided about temporary credits could have been better.

Mr J was unhappy with Barclays response, and so he referred B's complaint to us. He also noted that he felt Barclays had been rude to him on the phone.

One of our Investigators looked at what had happened. Overall they were not satisfied there was evidence to show that the transactions were fraudulent. They also explained they could not see any clear evidence that Barclays had been rude to Mr J. And that in any case, as this complaint is being made about B's account, and B is a limited company, it would not be appropriate to make any award for distress even if there was evidence of rudeness, as a limited company cannot experience distress.

Mr J disagreed, so B's complaint has been referred 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.

Having done so, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out.

The relevant law here is the Payment Services Regulations 2017, and broadly speaking B is responsible for any payments that were authorised and isn't responsible for unauthorised payments. So I've considered whether or not the evidence shows that B authorised the payments.

I'm satisfied that B's genuine card details were used to make the disputed transactions. But the regulations relevant to this case say that is not, on its own, enough to enable Barclays to hold it liable. So I also need to think about whether the evidence suggests that it's more likely than not that B consented to the payments being made. I recognise that Mr J has said categorically that he didn't authorise these payments on behalf of B. But I've had to look at what the available evidence showed Barclays, to decide whether or not Barclays acted unfairly when it refused a refund.

During its investigation Barclays contacted T to ask it for evidence that the payments were authorised. T responded to say that the payments in dispute matched up with invoices it had issued to B, it also provided an extract from its internal systems which showed it had spoken to Mr J when some of the payments were made. Barclays has also noted that the disputed payments cover an extended period of time, and that throughout this time Mr J was regularly viewing B's account in the mobile banking app, so Barclays has questioned why it took so long for Mr J to notice these payments.

Mr J has said that he believes somebody at T has been using B's card details without permission. He's provided an email that he says is from an employee at T to support this. But I have some concerns about this email, it has inconsistent dates on it, does not include the senders full name or details of their position at T, and doesn't include any detail about specific transactions. It also cannot be verified as genuine as Mr J has said this person has asked not to be involved any further. Mr J has since said that an individual who works at T has been arrested in connection with these transactions, but has provided no evidence to support this assertion. And given that Barclays' contact at T has confirmed that the payments match with invoices that were issued to B, if there were someone at T making payments without authorisation then several other people at T would also have to be both aware of the fraud and willing to cover it up, which seems unlikely.

I also have to bear in mind that some of the transactions in dispute here were only able to be made because funds had recently been deposited into B's account. And I've seen nothing to suggest that any payments were attempted and then returned or refused due to insufficient funds. This suggests that whoever made the disputed payments must have had at least some awareness of the available balance on the account, and it's difficult to see how a third party at T could have known that information.

Mr J has said that the volume of payments going through B's account meant that he simply didn't notice the disputed payments until late 2021. But it's difficult to see how he could not have noticed them given that they were for significant amounts and, he says, did not relate to any order made with T.

With all this in mind, and given B's existing trading relationship with T, I don't think it's unreasonable for Barclays to have concluded that it is more likely B authorised the transactions. It follows that Barclays is entitled to hold it liable for them.

Regarding the customer service Mr J received when he called Barclays, I've not seen anything to show that Barclays was rude or said anything inappropriate to Mr J. And, in any case, as noted by our Investigator, Mr J is not the customer here, B is, and as a limited company B cannot be upset or distressed if there was any rudeness.

So, overall, I'm satisfied that Barclays has treated B fairly, and I won't be asking it to do anything more.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 15 February 2023.

Sophie Mitchell
Ombudsman