

The complaint

Miss H complains that Barclays Bank UK PLC trading as Barclaycard mishandled her claims about four transactions that she had made with her credit card which she was disputing.

What happened

Miss H held a credit card with Barclaycard that during 2020 had a promotional period of 0% interest on any spending which ended in September 2020.

In January 2020, Miss H used the card to purchase a CV writing service which was also to provide a covering letter to use when applying for roles. The amount for this service was £149. Miss H said that the CV and cover letter were received later than had been stated by the business so were too late for a role she had wished to apply for. She also said the documents contained grammatical and spelling errors. She said she wasn't able to use them and complained to the company, but they declined to refund her.

A few days after the transaction for the CV service, Miss H attempted to purchase travel tickets for a journey again using the credit card. However, due to technical difficulties with two websites, Miss H wasn't aware that two transactions had actually gone through. She said the amounts of £10 and £87.41 were taken from her credit card account without her authorisation.

In March 2020, Miss H used the credit card to pay £200 towards the cost of a particular training course. Miss H said that she had also used other credit cards with different providers when paying the total fees for this course. Miss H said that she then discovered the course and its content were not as had been advertised. She raised a request for a refund with the course supplier but said it refused to reimburse her. Miss H also said that the credit providers for the other credit cards she had used had refunded her the amounts she had paid on those particular cards.

In May 2020, Miss H raised disputes with Barclaycard for the transactions of £10, £87.41 and £149. Barclaycard says these were each logged on to its system to be dealt with in the order they had been received. Barclaycard said that due to issues caused by the pandemic they weren't reviewed in a timely manner.

Barclaycard asked Miss H to supply evidence in respect of her claims in the form of order forms or invoices together with any terms and conditions that had applied. Barclaycard said it made numerous requests for this information.

In January 2021, Barclaycard informed Miss H that her dispute regarding the CV service was declined because she hadn't directly paid the retailer but used an online payment system. This was incorrect.

In March 2021, Miss H complained to Barclaycard that one of her disputes had been declined and that the others had not yet been resolved. In her complaint Miss H also raised the transaction of £200 that she'd made for the course.

Barclaycard responded to her complaint and said that it had made an error when declining her claim for the CV service. It provided her with £30 compensation for the distress and inconvenience this error had caused her. But it said there was still outstanding information required for this and the other two disputes and set out what was needed. Barclaycard also said it hadn't received a dispute form in respect of the £200 she had paid for the course and again set out what was needed if she wished to pursue this claim.

Miss H contacted Barclaycard again in May 2021 and complained that she had provided evidence about her claims. Barclaycard responded in June 2021 setting out what was still needed to be able to review her disputes.

Miss H sent Barclaycard further information in August 2021, and Barclaycard replied that unfortunately this wasn't sufficient and said it needed to see the invoices and contracts and any other supporting correspondence for each dispute. There was further correspondence between the parties in September and October 2021.

In October 2021, Barclaycard sent Miss H a letter setting out that, as a gesture of goodwill, it would reimburse the claims for £10 and £87.41. This was because the time-limit for chargeback had expired, and the value of each of these two amounts was too low to be eligible for a claim under section 75 of the Consumer Credit Act 1974. However, it said it didn't have sufficient information to be able to establish whether there had been either a breach of contract or a misrepresentation in respect for the claim of £149 for the CV service or the £200 claim for the course.

Miss H disagreed with this response from Barclaycard and complained to this service. She said she had been unfairly denied access to £349 on her credit card account and had had to maintain minimum payments on her account for over the past two years. She said she would like to be reimbursed the outstanding amount of £349 together with any interest or charges that been applied for those amounts plus compensation for the distress and inconvenience caused to her by having to pursue these claims. She said dealing with her claims had been particularly difficult as she had been overseas for much of this time.

During our investigation Barclaycard further reviewed the paperwork it had received from Miss H. And Miss H also pursued her complaints with both the CV service and the course providers.

Miss H was successful in the complaints she had made directly to the CV service and course providers and the two amounts of £149 and £200 were reimbursed to her.

Barclaycard said that it had received some additional information from Miss H in October 2021 and on reviewing its notes it considered that, although there were still gaps, it should have done more or explained better exactly what was needed. It offered to cover any charges and interest relating to the two amounts of £149 and £200. Barclaycard also offered Miss H £100 compensation for its handling of her claims.

However, on further review Barclaycard said that the two outstanding transactions which Miss H had disputed, had actually been subject to the promotional interest free period. It also said that as Miss H had cleared the account balance in August 2020, she hadn't paid any interest or incurred any charges on these two transactions. Barclaycard said it thought in these circumstances it would be fair to increase its offer of compensation to Miss H to £150. Miss H has declined Barclaycard's offer.

As the parties were unable to agree the complaint has been passed to me. I issued a provisional decision along the following lines.

My role here was to decide whether Barclaycard had acted fairly and reasonably in its response to Miss H's claims for the transactions she had wished to dispute. And where evidence was contradictory or missing then I had to decide what I thought was the most likely thing to have happened.

I'd seen that Barclaycard had agreed to cover the cost of the claims for the travel tickets which were £10 and £87.41 respectively as a gesture of goodwill. I'd also seen that Miss H's complaint to this service had concerned the two transactions of £149 and £200, so it was those matters that I concentrated on. Miss H had raised her dispute for these two amounts as she believed that there had been both a breach of contract and misrepresentation by the two service providers concerned. She felt very strongly that she should not pay for either of those services.

Barclaycard hadn't pursued chargeback claims for either of those amounts but on the evidence I'd seen I thought that was reasonable. These two transactions had occurred in January and March 2020 and didn't appear to have been raised with Barclaycard until May 2020.

Chargeback is a process that involves the card issuer disputing payments made on the card through a dispute resolution scheme operated by the companies which run the card networks, here that was Visa. It allows customers to ask for a transaction to be reversed if there's a problem with the goods or services they've paid for. There's no automatic right to a chargeback and it isn't a guaranteed method of getting a refund.

The Card Scheme sets out the necessary conditions under which a claim can be processed. There's also a time limit that applies to making a chargeback request which here would have been 120 days. And if Barclaycard feels that a claim won't be successful, then it doesn't have to raise a chargeback. So, Barclaycard hadn't been obliged to make a chargeback if it concluded that the chances of success would be remote. Barclaycard had said that it needed further information from Miss H such as copies of the order/invoice forms and the terms and conditions that had applied to the two services she had purchased.

I'd seen that Miss H had been overseas at the time, and she had described that she was experiencing some difficulty with email correspondence and struggling to open email attachments. So, it seemed that communications between Miss H and Barclaycard had been hampered. And while I acknowledged that other banks had reimbursed Miss H the amounts she had spent on other credit cards in respect of the cost of the course this didn't mean Barclaycard hadn't been entitled to ask for evidence to be able to consider her claim. I hadn't seen that Miss H had provided the necessary information until at least the 120-day time limit had expired.

Barclaycard next considered Miss H's claims under Section 75 of the Consumer Credit Act 1974. Section 75 may apply when the goods or services purchased via a credit agreement cost over £100 and up to a limit of £30,000. The general effect of the section is that if a consumer has paid for goods or services with a credit agreement and they have a claim against the supplier of those goods or services for misrepresentation or breach of contract, they are given a like claim against the credit provider, which here is Barclaycard.

However, when making a claim it is for the consumer to provide evidence of the breach and/or misrepresentation. Miss H had provided Barclaycard with a number of screenshots regarding the CV service and the course she had booked. But I hadn't seen that she had provided the requested order/invoice forms nor the terms and conditions that applied for either service.

Miss H said she continued to pursue her complaints about these two services directly with the suppliers and they have both now reimbursed the two amounts that she had spent. Miss H said she then paid the £349 refund she'd received into her credit card account. I'd also seen that on review, Barclaycard had accepted it should have done more to assist Miss H with these two claims.

I appreciated Miss H was anxious to be reimbursed any interest she had incurred on these two transactions by Barclaycard but looking at her statements I'd seen there was no interest applied to either of the amounts she was disputing. This was because there had been a promotional interest free period up to September 2020 and in August 2020 Miss H cleared the outstanding balance as it then stood on the card. And by doing so, Miss H had paid off any amount that was still outstanding for either of these two transactions before any interest had been applied to them. I'd seen that Miss H had then continued to use the credit card after the August 2020 payment, and it was these new transactions that had interest applied to them as the promotional period had ended. Under the rules, transactions using a credit card are paid off in date order. Any interest that was applied to her account balance were therefore only on undisputed transactions and so properly incurred.

However, although Miss H had now been reimbursed £349 for the two disputed transactions and hadn't paid interest on those amounts, I thought she had been nevertheless caused distress and inconvenience by Barclaycard's handling of her claims. It accepted that it should have provided more assistance to her and had offered her £150 in compensation for this. I thought this was a fair and reasonable amount in the circumstances. Miss H had been caused distress and inconvenience by the delays in Barclaycard considering her claim and that it should have been clearer as to the evidence that it had needed.

For the reasons given above, I was intending to partially uphold Miss H's complaint. I asked Barclaycard to pay Miss H £150 compensation for the way it had handled her disputed transactions.

Barclaycard agreed with my provisional decision, but Miss H has disagreed. She says that she provided all the information that she had to Barclaycard and had nothing else to provide save some audio evidence that Barclaycard didn't ask her to produce. Miss H says that Barclaycard's decision to decline her claims was unreasonable in light of both of the suppliers providing her with a full refund.

Miss H also says that the offer of £150 compensation was actually lower than Barclaycard's original agreement to pay her £100 compensation plus reimburse the interest charged on these two amounts. She says that she didn't clear her credit card account in August 2020 and has asked I review her credit card statements. Miss H says these two disputed amounts remained on her credit card account until she received the reimbursements from the suppliers in 2022 and paid them off.

Miss H says it would be fair for Barclaycard to pay her all of the interest charged from 2020 to 2022 together with an increased amount of compensation to reflect the distress and inconvenience caused to her by the way it had handled these claims.

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.

While I appreciate how strongly Miss H feels about this matter, I'm afraid I haven't changed my mind and I will set out why below.

I've seen that Miss H says she provided all the evidence she had to Barclaycard regarding her two claims and wasn't able to produce the applicable terms and conditions as requested because she didn't have these. But I don't think Barclaycard's request for information was unreasonable as it was for Miss H to prove there had been either a breach of contract or a misrepresentation of the contracts for the CV writing service and the provision of the course. I think it was entitled to ask for these things to be provided.

While I accept that ultimately the two suppliers did reimburse Miss H, this appears to have been around two years later and I don't know on what basis those settlements were made. So, I can't reasonably say that because both suppliers later agreed to refund Miss H's payments that Barclaycard had acted unfairly in declining her claims at the time that it did.

Barclaycard accepts that it didn't provide Miss H with the service she should reasonably have expected in that it should have been clearer about what information it required. It has offered compensation to her for that. Initially Barclaycard agreed to pay compensation and reimburse any interest charged, however after reviewing Miss H's credit card account statements, it said no interest had been added. This then led to Barclaycard offering to increase the compensation payment to £150. Miss H says Barclaycard are wrong to say no interest was added as these two disputed amounts remained on her balance until 2022 when she paid in the amounts she had received from the two suppliers.

I have looked carefully at the credit card account statements and these don't support what Miss H has said. I can't see that these two disputed amounts remained outstanding on Miss H's balance after the interest free promotional period ended. At the start of August 2020, I've seen that Miss H had an outstanding balance of £762.34 and she made two payments that month totalling £799 and made one purchase of £532.95 leaving £496.29 to pay. As explained, payments are used to clear items in date order, so the payments made in August cleared the balance that had been outstanding and also paid an amount off the August 2020 transaction. The interest that was then added from September 2022 was in respect of an undisputed transaction and so was properly incurred. I'm still satisfied on the evidence I have seen that no interest charges were added to the account in respect of these two disputed payments.

As there were no interest charges to be reimbursed to Miss H I think Barclaycard's offer to then increase the compensation to £150 was fair in reflecting the distress and inconvenience caused to her by its handling of her claims. And I'm not going to ask it to do more.

For the reasons set out above, I'm partially upholding Miss H's complaint.

Putting things right

I'm asking Barclaycard to pay Miss H £150 compensation for the distress and inconvenience caused to her by its handling of her two disputed transactions.

My final decision

For the reasons shown above I'm partially upholding Miss H's complaint. I'm asking Barclays Bank UK PLC trading as Barclaycard pay Miss H £150 compensation for its handling of her two disputed transactions on her credit card account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 8 December 2022.

Jocelyn Griffith

Ombudsman