

The complaint

Mr M complains about a declined chargeback claim with Barclays Bank UK PLC “Barclays”).

What happened

Mr M paid for dental treatment whilst abroad and says the payment was taken twice. Mr M says he went to pay for the treatment on his Barclaycard and it declined, so he paid with another card and later found the payment had been taken from both. So, Mr M raised a disputed transaction claim with Barclays.

Barclays raised the dispute with the merchant, and it responded to say it had only taken the one payment from the Barclaycard. Mr M evidenced it had been taken twice, but as the merchant said it was the Barclaycard payment that had been successful, it declined the claim.

Mr M then raised a complaint with Barclays and it was upheld in part. Barclays agreed that its service had been poor and offered to pay Mr M £75 for the trouble and upset it had caused. Barclays didn't agree that the claim had been declined incorrectly though. It said as the merchant responded to say only one payment had been taken, the claim was declined correctly. So, Mr M brought his complaint to our service.

Our investigator looked into the complaint and also thought the claim had been declined correctly. Our investigator found the Barclays transaction was valid and as the merchant had confirmed only one payment had been taken, the claim had been assessed correctly. Our investigator did reach out to Barclays to ask if it would pay for Mr M's phone costs and increase its offer of compensation for the service failings.

Barclays agreed to pay Mr M £294.55 for call charges and a total of £150 for its service failings, and our investigator agreed this was fair.

Mr M didn't agree with the investigator's view, so the complaints been passed to me for a final 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, I've come to the same outcome as the investigator for largely the same reasons. I'll explain why.

A payment out of someone's account can only be treated as authorised if the payer has consented to it. So, the customer must have consented to a payment transaction taking place. So, I've gone on to consider here whether I think Mr M consented to the payment and therefore whether it was authorised or not.

Mr M has said he attempted to use his Barclaycard to pay for the treatment, so there is no dispute he authorised the payment.

As the Barclaycard payment was by credit card, it had two options to pursue a refund for him – chargeback and Section 75 of the Consumer Credit Act 1974 (Section 75). It's usual for a bank to look at chargeback first.

As Mr M raised the issue of the payment being taken twice, Barclays raised the chargeback request with the merchant. This is what I'd expect them to do in these circumstances. As the merchant responded to say that only the Barclaycard payment had been taken, I don't find it unfair that Barclays used this information when deciding to decline the claim.

At this point the dispute appears to be with the other payment made on the third-party bank's card and not Barclays. Although Mr M has proof it was taken from the account, the merchant is claiming it was never received. So, my advice would be to now raise a dispute with the other provider.

Mr M has also supplied a copy of the invoice from the dental treatment centre. This shows the payment being taken from a Visa card. So, this further satisfies me that the dispute appears to be with the other card used.

Mr M responded to our investigator's view to say it hadn't been investigated correctly, as our investigator had said in his view that the payment was firstly taken from the third-party card.

Having looked at the disputed transaction claim form, the email Mr M sent to the disputed transaction team at Barclays and the email he sent to the centre where he received the dental treatment, Mr M does say he used the third-party card first and then the Barclaycard. So, I can see why the investigator put this in his view. The form and email were also completed three days after the transactions, so I think it's most likely that this is the best recollection of what happened.

But having thought about this point carefully, I don't think it changes the outcome of the complaint. Whether the Barclaycard or the third-party card was used first doesn't really matter, as the main point here is the merchant responding to say that the payment was only taken from the Barclaycard. So regardless of what card was used first, the dispute needs to be raised with the payment provider of the card that the money wasn't received from.

I've then gone on to think about Section 75 and whether Mr M could make a claim under the protection this gives. Section 75 sets out that in certain circumstances, as the finance provider, Barclaycard is jointly liable for any breach of contract or misrepresentation by the merchant. There's no suggestion of a misrepresentation here, nor does the available evidence indicate one.

So, I've thought about if there's been a breach of contract. As there's been no breach of contract here and Mr M received the good's, he paid for, I'm satisfied that a claim wouldn't be successful if raised.

As above, Section 75 only applies in certain circumstances. Given that I'm satisfied there's been no breach of contract and there's no suggestion of a misrepresentation, I don't need to make a finding on whether all those circumstances are present here.

Barclays have paid Mr M for the cost of the phone calls whilst he was abroad and £150 for the service failings when raising the claim. Having considered this, I find these amounts fair in the circumstances. I'm satisfied £150 compensates Mr M for the delay and the trouble of having to raise the claim twice. The £294.55 is the total cost of the calls – so I also agree

with this amount.

Putting things right

Barclays have paid Mr M the compensation and trouble and upset payment. So, it doesn't need to do anything else in response to this complaint.

My final decision

My final decision is that I uphold this complaint and agree with the payments already made by Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 December 2022.

Tom Wagstaff
Ombudsman