

## **The complaint**

Ms M complains that Barclays Bank UK PLC (“Barclays”) won’t refund a debit card payment of £13,250 that she says she didn’t authorise.

## **What happened**

The details of this complaint are well known to both parties, so I won’t repeat everything again here. In brief summary, Ms M disputed a transaction of £13,250 made on 8 September 2022 using her Barclays debit card that was paid to a property auction company (“the merchant”).

Ms M was in the process of bidding on a property and says that the merchant requested payment details for identity verification purposes. However, she said that the merchant subsequently processed a payment without any authorisation being given by Ms M, and despite no exchange of goods or services having taken place. Ms M complained and said that Barclays shouldn’t have processed the transaction and should now refund the money.

Barclays looked into the transaction but said it wouldn’t refund the payment. It said it had contacted the merchant, which had provided evidence of the transaction being made after Ms M had won a property she’d bid on at auction, so it was satisfied Ms M had authorised the payment. The merchant had also provided evidence that Ms M had accepted its terms and conditions, which included the payment of a deposit upon winning the auction, which was non-refundable, so Barclays didn’t pursue a chargeback claim either. Unhappy with this, Ms M referred the matter to our service.

Our investigator didn’t uphold the complaint. He was satisfied the payment had likely been authorised by Ms M, who had agreed to the merchant’s terms and conditions, so he didn’t think Barclays had acted unfairly by failing to refund the money. Ms M disagreed, so the matter has been escalated to me to determine.

## **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 agree with the conclusions reached by the investigator as I don’t think Barclays has acted unreasonably by treating the payment as having been authorised by Ms M. I’ll explain why.

After Ms M disputed the payment, Barclays contacted the merchant to understand more about the transaction. The merchant confirmed that it offers access to auctions selling land and property in the UK, and that Ms M had entered into and won an auction to purchase a property. It explained that the £13,250 payment was a deposit for the property, which was taken in line with the auctioneer’s terms and conditions. However, despite winning the property at auction, Ms M failed to complete the purchase within the agreed timeframe and the sale was withdrawn, with the deposit being non-refundable.

Having reviewed the evidence submitted by the merchant, I can see that its terms of sale set out that if the auction reserve is met when the auction ends, the successful bidder is legally bound to buy the property and will be charged a 10% deposit.

I can see that Ms M bid on the property and won the auction on 8 September 2022. The merchant has provided evidence of an invoice being sent to Ms M on the same day, showing a breakdown of the money charged, including a £10,000 deposit, £2,500 auction fees and a £250 signing fee. Ms M did not dispute this at the time and also remained in contact with the solicitors and merchant about the sale of the property, explaining that she was seeking to find the remaining money to purchase the property. Indeed, she even referenced the deposit payment made to the merchant:

*“Please confirm that after spending all in total the sum of the £45,456.30 + £13,250 (already paid to the auctioneers) = £58,706.30 the property will be finally registered under my name and that I will be the legal owner”.*

Ms M says that she was never aware that a payment was going to be made and that she had only given her payment details to verify her identity. However, I've not seen any persuasive evidence to suggest that Ms M was deceived into providing her card payment details, or that she wouldn't have been aware about the requirement to pay the deposit. And it's clear from the evidence that Ms M was aware this payment had been made, which was done so in line with the auctioneer's terms and conditions she'd agreed to when bidding on the property. I'm therefore satisfied that Barclays has acted fairly by treating the payment as having been authorised by Ms M. And, in light of the evidence provided by the merchant, I'm also not persuaded there would've been any valid grounds for a chargeback claim to succeed either, so I don't consider Barclays has acted unfairly by failing to pursue such a claim.

Ms M has further complained that Barclays should have stopped the payment, as it was an out of character transaction being made as part of a scam that they should have questioned her about. However, the expectation on a firm to intervene and warn customers of the risk of financial harm from fraud and scams will only reasonably have been engaged if there were sufficient grounds for suspecting the payee was a fraudster; meaning that Barclays could have prevented the payment while concerns about the payee were discussed with Ms M.

I appreciate Ms M strongly considers the merchant to have been operating fraudulently. But I'm not persuaded there's enough evidence to demonstrate this, or that there was never an intention for the merchant to sell her the property she had bid on. Ms M has provided numerous reviews from others who have had a negative experience with the merchant, and I understand she later wanted to back out of the purchase because she considered the purchase price of the property to be too high.

However, while the ways and means of a particular business could be viewed as unreasonable or even unethical, that doesn't necessarily mean they amount to the high legal threshold or burden of proof for fraud. I note that the merchant is also a full member of The Property Ombudsman. It would be rare to see a fraudulent company submit itself to oversight and regulation by an independent body. So overall, I can't agree that Ms M has been scammed here.

As a result, there would've been no expectation on Barclays to intervene in these circumstances as it isn't required to protect its consumers from the risk of financial loss due to bad bargains. Therefore, I don't consider Barclays acted unfairly by failing to intervene. Even if it was a scam, given Ms M had won the auction and had seemingly originally intended to buy the property, it seems unlikely she would've decided not to proceed with the payment at that stage, even if Barclays had contacted her about it.

I appreciate this will likely come as a disappointment to Ms M, and I'm sorry to hear about the difficult time she's been going through. But if she does not consider the merchant is entitled to the money, or has acted in breach of contract for example, then this is something she will need to pursue the merchant for directly, either through The Property Ombudsman or through the appropriate legal channels.

Overall, I'm not persuaded Barclays has acted unfairly in these circumstances, so I won't be asking it to take any further action.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 1 April 2024.

Jack Ferris  
**Ombudsman**