

## **The complaint**

Miss J complains that Barclays Bank UK PLC ("Barclays") have failed to refund over £12,423.69 she says she lost to a timeshare membership scam.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat everything again here. In summary, Miss J purchased a timeshare membership from Lifestyle Luxury Vacation Club (LLVC) using her Barclays debit card for around £12,423.69 in two payments. She then tried cancel the contract the following day. LLVC ended up refunding most of the amount that Miss J paid but it kept around £1,696.35 saying that this represented a non-refundable admin fee. So, Miss J disputed the payment with Barclays saying she had been scammed.

Barclays refused to provide a refund to Miss J as she had authorised the transactions. It raised a chargeback claim, but this was defended by the merchant. So, Barclays didn't pursue the claim any further due to the limited prospects of the claim succeeding.

Our investigator didn't uphold the complaint. She didn't consider Miss J had been scammed as she made her purchase through a legitimate company, so she didn't think Barclays ought to have had any concerns that she was at risk of financial harm. The investigator also didn't think Barclays had acted unfairly by failing to pursue the chargeback claim any further due to its limited prospects of succeeding.

Miss J 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've decided not to uphold it. I'll explain why. Miss J considers she was scammed as she was sold a membership that promised a yearly return of around \$10,000 a year but when she read the contract it was not what she had agreed.

So, I've considered whether Barclays ought to have prevented the payment and warned Miss J that she was being scammed. As there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character for that account holder.

But Barclays does not need to warn customers of the risk of such financial harm if there were insufficient grounds for suspecting the payee was a fraudster; meaning that Barclays could have delayed the payments while concerns about the payee were discussed with Miss J.

So, I would need to be satisfied that Lifestyle Luxury Vacation Club was operating a scam when the payment was made in order to expect Barclays to have done anything further here. However, I'm not persuaded there is enough evidence to suggest that the merchant was operating fraudulently here.

The company is registered in Dubai, and while I understand there may be negative reviews of its selling practices from multiple people, that doesn't necessarily mean they amount to the high legal threshold or burden of proof for fraud. Indeed, I note that Miss J has since had her money mostly refunded by the company, which would be highly unusual for a company that was operating a scam. As a result, I don't think there was any duty on Barclays to have prevented the payment, as it isn't required to protect its consumers from the risk of financial loss due to bad bargains.

### **Chargeback claim**

After Miss J disputed the payment, Barclays raised a chargeback claim, which was defended by the merchant. After reviewing what Miss J had sent in and what the merchant provided, Barclays said it didn't think there was enough evidence to demonstrate that the chargeback would have been found in her favour if it pursued it further. It said this because LLVC sent a copy of the signed contract which stated that there was a non-refundable administration fee.

Barclays wouldn't be expected to pursue a chargeback claim further if it appeared there was little prospect of it succeeding, which it considered to be the case in light of the evidence provided by Miss J and the merchant. And I've also not seen enough evidence to demonstrate that her chargeback claim would have likely succeeded under the Visa scheme rules based on the evidence presented. So, I don't consider it has acted unfairly by refusing to offer a refund itself due to her claim lacking sufficient evidence to succeed.

I'm sorry to hear about the impact this has had on Miss J and I understand this has been an upsetting time for her. But I can only ask Barclays to refund Miss J if it did something wrong. I say this because it did not sell Miss J the timeshare membership. In this instance Barclays has not acted unreasonably here, so I will not 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 Miss J to accept or reject my decision before 25 July 2024.

Charlie Newton  
**Ombudsman**