

The complaint

Mr C complains Barclays Bank UK PLC didn't stop fraud on his credit card and didn't respond correctly when he reported the fraud. He also complains he's not been put back into the position he was before the fraud.

What happened

Mr C has a credit card with Barclaycard that he says he hasn't used for a long time meaning, amongst other things, that it had a zero balance.

In February 2023 Mr C contacted Barclaycard after receiving an email saying that his credit card was over the limit. He says this led him to realise that there had been fraudulent activity on his card. So, he made a claim against Barclaycard.

Barclaycard looked into Mr C's claim and accepted that there had been fraudulent activity on his card. Barclaycard also accepted that it took too long to look into Mr C's claim. In addition, Barclaycard accepted that it sent Mr C letters chasing him for payment for the outstanding balance when it should have ring-fenced the disputed amounts. And finally Barclaycard accepted that it didn't initially update Mr C's credit file even though it should have done so. Barclaycard says that it has now done so, but it has also reduced Mr C's credit limit.

Mr C was very unhappy with all the errors that Barclaycard made and very unhappy that Barclaycard didn't put him back into the position he was before the fraud. So, he complained to us saying, amongst other things, that the compensation Barclaycard had paid – £600 – wasn't sufficient. He said that he wanted £3,000 in compensation and that he was ready to take Barclaycard to Court if needs be.

One of our investigators looked into Mr C's complaint and said that they thought the compensation Barclaycard had paid and the steps it had taken were fair and reasonable. So, they didn't recommend that Mr C's complaint be upheld.

Mr C disagreed with our investigator's recommend and sent us an updated and itemised claim for compensation. In his itemised and updated claim for compensation, Mr C said he should be awarded £104,000 in compensation for all the breaches of legislation Barclaycard had committed and the problems it had caused. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

Barclaycard has accepted that there's been fraud on Mr C's card and has from the evidence I've seen refunded all of the disputed transactions along with interest. That's what we'd expect. I can see that Mr C would like a detailed explanation of how these transactions managed to get through Barclaycard's systems, and that he has his own view given his role. I can see too that Mr C feels very strongly that measures designed to combat fraud appear not to have been applied. However, given that Barclaycard has accepted these transactions were fraudulent and given that it's refunded them along with interest, I don't agree that it's helpful to get into these additional levels of detail. I'll come back to this in a moment.

Barclaycard has paid Mr C £600 in compensation having accepted it make a number of mistakes in this case. Mr C said he wanted £3,000 in compensation when he first complained to us but has more recently sent us an itemised and updated claim for compensation in which he says he wants £104,000 in compensation. The majority of that compensation is based on amounts for specific breaches of various pieces of legislation that Mr C says Barclaycard is guilty of. That's presumably one of the reasons why Mr C wants to know in more detail how these transactions occurred – to support his claim for compensation. But that's not how we assess compensation. We look at the impact the business's errors have had on the consumer rather than the errors themselves. And I've seen nothing in the file to suggestion that the compensation Barclays has paid isn't fair and reasonable when our approach to compensation is taken into account. In short, I agree with our investigator that the compensation Barclaycard has paid was fair.

I can see that Mr C doesn't agree that Barclaycard has put him back into the position he was before this fraud. That appears to largely be a reference to the fact that Barclaycard has since reduced his credit limit. Barclaycard hasn't explained to Mr C why it did so. Based on the evidence I've seen on the file, however, I'm satisfied that this reduction wasn't to do with any adverse information Barclaycard reported on Mr C's credit card as a result of this fraud, and the poor way it handled it. I'm satisfied it was a decision Barclaycard could fairly make. So, I agree it wouldn't be fair to tell Barclaycard to re-instate Mr C's previous limit.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 April 2024.

Nicolas Atkinson
Ombudsman