

## **The complaint**

Mr R complains that Barclays Bank UK PLC hasn't refunded an amount he says he was wrongly charged by a car hire company.

## **What happened**

In June 2022, Mr R was supposed to collect a rental car from a company abroad. He arranged the agreement online for a week's rental at a cost of c.\$400 and provided his Barclays card details for the payment. There was no car available on the date agreed and so Mr R had to return the following day and had several problems with the hire after this.

Mr R understood that due to the issues faced, it was then agreed he could continue to keep the car for a month at the original price. However he's explained he then discovered he was being charged a much larger amount for the car and so returned it after three weeks. Mr R's card was charged £1,813.42. Mr R complained to the hire company as well as contacting Barclays and raising a fraud claim. Mr R received some money back from the car hire company but not the full amount.

Mr R complained to Barclays about the payment, but it didn't agree to refund him. As per its standard process, when he originally reported the payment, it temporarily credited his account. But after declining the complaint, it re-debited the account, causing it to go overdrawn. The account was later closed due to this. Mr R wants the full amount refunded and for his credit file to be rectified. Barclays has not agreed to carry out any further action in relation to the payment.

Mr R brought his case to our service and our investigator didn't uphold it. He thought Barclays should've recognised Mr R was looking to make a chargeback claim based on what he was telling it, but he didn't think Mr R held the evidence needed for this, or that it would've been successful if it had been made. Mr R disagreed with the outcome and asked for an ombudsman to review his complaint.

## **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.

As Mr R agreed to pay the hire costs on his card, I'm in agreement with our investigator that this was not a fraudulent payment. Mr R had an agreement with the car hire company, and it took a payment in relation to that, so it is not fraud. However I do also agree that Barclays should've considered a chargeback claim for this complaint, as while Mr R returned the paperwork later than asked, it was still in time to raise a claim. But I don't consider Mr R has actually suffered a loss due to its failure to do so.

In order to have a claim, Mr R would need to show that the car hire company either misrepresented or breached the terms of their agreement by what it eventually charged him. But Mr R is unable to evidence this is the case. I haven't seen anything showing the car hire company accepting it did agree to a longer rental, at the discounted rate Mr R has told us.

I accept we hold evidence this is what he understood, but we don't hold anything which supports this was the case. The only agreement we hold is for the initial week rental, and Mr R has told us this is not the final agreement/contract, as this is only for a week's hire.

This is key because Barclays wasn't required to (and shouldn't) start a chargeback claim for Mr R without him evidencing the claim he's making. It's a voluntary scheme and is governed by a set of clear rules. And from the paperwork we hold, Mr R put in a claim for the full amount charged even though he had use of the car, which isn't a claim that would ever succeed under the scheme.

I recognise that the car hire company has provided Mr R with a number of refunds. But from the correspondence Mr R has shared, these were provided due to service issues and to quote the company "*as a courtesy*". At no point has it accepted Mr R's version of events. The fact it was willing to refund him some of the amount charged when he complained isn't in itself evidence that it unfairly charged him in the first instance.

I accept why Mr R is frustrated with the amount he's been charged by the firm. I also accept that due to the initial problems and service issues with the car hire company, he likely would have gone elsewhere after the first week if he'd understood what it intended to charge him for the rental. But all these issues are between him and the car hire company, not him and Barclays.

Mr R gave his card details to the car hire company for it to use for the rental. Barclays wasn't wrong to process the payment or not agree to refund it as, under the Payment Services Regulations 2017 (the rules it must follow), the payment itself was authorised by Mr R and wasn't fraud. These regulations don't consider the amount charged when determining if a payment is authorised. And I can't see how Barclays would've agreed to start a chargeback claim when it would be for Mr R to show the company mischarged him, and he has no paperwork or proof this was the case.

I'm also in agreement with the investigator that even if Barclays did agree to put in a chargeback claim, it's very unlikely it would've succeeded.

Had a claim been made, the car hire company would then get the chance to respond to it. The emails Mr R has shared with us show the car hire company denying the agreement he says was reached. The formal paperwork he holds set out his agreement was only for seven days. And the car hire company has set out that the additional costs were partly made up of fees such as late charges. It says these were charged in line with its terms – which I consider it would be able to evidence, as these terms are commonplace in these kinds of agreements. So it seems unlikely his claim would've succeeded, considering the car hire company's emails suggest it could provide a breakdown of the costs and why they were charged.

Also, the role of our service is to reach a fair and reasonable outcome. And when taking into account the refunds received, Mr R had the car for three weeks but has paid less than three times the original rental cost. So the amount he's been charged overall is seemingly proportionate to the use of the vehicle he had.

I acknowledge this experience has been very frustrating for Mr R, but I can't see that Barclays has done anything wrong here, so I'm not directing it to reimburse him for the remaining amount charged by the car hire company. It follows that I therefore don't hold Barclays responsible for the fact Mr R was taken overdrawn by the payment or the impact this overdraft has then had on his current account or his credit file.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 June 2024.

Amy Osborne  
**Ombudsman**