

The complaint

Mr S complains about declined payment attempts he made using his Barclays Bank UK PLC trading as Barclaycard credit cards.

What happened

Mr S has two credit cards with Barclaycard. On 21 December 2021 Mr S attempted to use his credit cards to make a payment to pay for a holiday. But the attempts Mr S made were rejected by Barclaycard. Mr S has explained he spoke with Barclaycard on various occasions in an attempt to get it to approve the payments. But the payments didn't go through and Mr S went on to raise a complaint. Mr S also asked Barclaycard to provide call recordings.

Barclaycard issued a final response on 3 January 2024 and explained Mr S' payment attempts had been impacted by a number of issues. Barclaycard's final response explained the payments had been picked up for further checks by its fraud prevention systems. Barclaycard explained that some of the payments had been incorrectly declined due to a technical problem and upheld Mr S' complaint in part. But Barclaycard said other payments were correctly declined as the merchant Mr S was attempting to pay didn't use the Verified by Visa system when processing the transactions. Barclaycard apologised for the inconvenience caused and paid Mr S £75.

Mr S referred his complaint to this service and it was passed to an investigator. Within its file submission, Barclaycard explained it wanted to increase its offer to settle Mr S' complaint by a further £50 – taking the total award to £125. Barclaycard added that not all Mr S' calls with it on 21 December 2023 had been recorded.

Barclaycard later provided a technical explanation setting out the systems codes and reasons behind the declined applications. Our investigator thought Barclaycard's increased offer was a fair way to resolve Mr S' complaint and didn't ask it to do anything else. Mr S didn't agree to settle in line with the investigator's view of his complaint so his case has been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mr S is annoyed and frustrated that he was unable to use his credit cards as required on 21 December 2023. Barclaycard has explained that there were a number of issues at play on 21 December 2023 that stopped the payments going through. Barclaycard accepts that some of the problems were caused by technical issues while others were outside of its control.

I can see our investigator has already given Mr S details of the different codes Barclaycard has forwarded to explain why his payments were declined. I appreciate that information was technical in nature and note “consumer friendly” so I can understand why Mr S remains concerned that the payments were unfairly declined. I’ve looked at the different reasons Barclaycard has given us.

Barclaycard says some of the payments attempts returned a code that showed there was a technical issue with its systems or the card technology that led to them being declined. I appreciate that is a very brief and somewhat basic explanation. But, as Mr S’ response to the investigator notes, the way systems work and the payment codes provided are very technical in nature. Overall, I’m satisfied that Barclaycard has confirmed that some of the attempts Mr S made to make payments were declined due to technical issues with its systems which is a reasonable explanation in the circumstances.

Barclaycard adds that some payments were declined because they required a two stage authentication process to go through. What that means is that Barclaycard’s systems would require a second step to verify the payment, via Visa’s Verified by Visa system. That would’ve required a text message from Visa to be sent to Mr S to confirm the payment attempts were genuine. But Mr S’ mobile phone number was updated with Barclaycard on 21 December 2023 and it’s explained that it can take up to a week for that information to be updated with the Verified by Visa system. As a result, when Mr S tried to make payments on 21 December 2023, the phone number recorded with the Verified by Visa system wasn’t up to date. That meant the payments couldn’t be confirmed using the Verified by Visa system so couldn’t be approved. Whilst I understand that caused Mr S further inconvenience, I haven’t been persuaded Barclaycard treated him unfairly. Ultimately, it was a situation where the systems required time to update Mr S’ details before the process could work.

Other payment attempts were declined because the merchant attempted to process them without using the Verified by Visa system. But Barclaycard has confirmed it can’t approve a payment request made by a merchant that has the ability to use the Verified by Visa system but chooses not to. I’m satisfied that’s reasonable in the circumstances of Mr S’ complaint.

I agree that Barclaycard did cause Mr S some inconvenience on 21 December 2023 and can see he had to make various calls to try and understand why payments were being declined. But I’m satisfied that Barclaycard’s increased offer of £125 fairly reflects the time taken on the phone and level of distress and inconvenience caused to Mr S and is a reasonable way to resolve his complaint.

Mr S has told us he wants Barclaycard to provide transcripts of all his calls with it. But Barclaycard’s confirmed not all calls it receives are recorded so it can’t provide all the information Mr S wants.

I’m sorry to disappoint Mr S but as I’m satisfied Barclaycard has explained why payments were unsuccessful on 21 December 2023 and has made an offer to settle his complaint that is fair and reasonable in all the circumstances I’m not telling it to do anything else.

My final decision

My decision is that Barclays Bank UK PLC trading as Barclaycard has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 July 2024.

Marco Manente
Ombudsman