

## **The complaint**

Ms S complains that Barclays Bank UK PLC hasn't refunded a card payment she made when she fell victim to a scam.

## **What happened**

I understand that Ms S intended to book a flight with a company I'll refer to as T in this decision. It appears though that Ms S wasn't dealing with the legitimate company but a scammer. She booked the flight and paid £563.07 by debit card on 19 August 2023. Ms S also provided other details such as her address.

In October 2023 Ms S realised something wasn't right as she said the details of her flight disappeared. She contacted Barclays to explain what had happened.

Barclays raised a chargeback with the merchant that Ms S' payment went to – a company I'll refer to as N in my decision. I appreciate that Ms S thought her payment went to T, but she was deceived by a scammer and her payment went to N.

N responded to the dispute raised by Barclays. It said the payment was 3DS authorised and that the flight departed, so no refund was due. N also provided a confirmation invoice for the flights that were booked at a cost of £563.07. The address on the invoice was Ms S' but the passenger named on it wasn't Ms S.

Barclays provided Ms S with the evidence provided by N and gave her the opportunity to reply and provide any additional evidence. Ms S didn't reply. Barclays later let Ms S know that as she hadn't replied it held her liable for the transaction and closed her case. Ms S was unhappy with Barclays' response and brought a complaint to this service. She said Barclays should refund the amount lost and that she had to pay for a new flight at an additional cost. She also said Barclays should apologise for associating her with a scammer who stole her money.

The investigator who considered this complaint didn't recommend that it be upheld. He said that the payment was authorised by Ms S and there were no chargeback rights, as the person who tricked Ms S used her card details to book a flight that was taken. The investigator also said that the card payment wasn't unusual, so Barclays didn't miss an opportunity to protect Ms S.

Ms S didn't agree with the investigator's findings. I have summarised her main points below:

- She booked a flight through a genuine company (T) and provided her card details to this company. This has nothing to do with N and no booking was made with N using her card. And she doesn't know the person named on N's invoice.
- She has been the victim of a scam so should be refunded.
- Ms S referred to the protection provided by S75 of the Consumer Credit Act.

## **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.

In deciding what's fair and reasonable, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Someone pretending to be from T has tricked Ms S into providing her card details and address to them. The telephone number Ms S said she used isn't T's telephone number. Ms S also hasn't provided any evidence from the genuine company T to show a flight was booked through it. The scammer has then used the details Ms S provided when she thought she was booking a flight with T, such as her card number and address, to book different flights with N. So, while I appreciate Ms S had no contact with N, she was tricked into authorising a payment that in fact went to N.

But this doesn't automatically mean that Barclays is liable to refund Ms S. I can only ask Barclays to reimburse Ms S if, taking into account the law and other factors I have set out above, I think Barclays has done something wrong.

In broad terms, the starting position in law is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's).

But Barclays should have been on the look-out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And, in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

In this case I wouldn't have expected Barclays to have recognised that anything was amiss when the payment was made. The value of the transaction was relatively low, and the payment was to a genuine merchant (N). Barclays had no way of knowing that Ms S had been tricked at the time the payment was made.

There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. Whilst banks have obligations to act in their customers' best interests, they can't reasonably be involved in every transaction. To do so would involve significant disruption to legitimate payments. So, I don't consider Barclays acted unreasonably in processing the payment to N.

As Ms S made the payment via a card the Lending Standards Board's Contingent Reimbursement Model Code doesn't apply to it.

There is some protection for card payments via the chargeback scheme. Chargeback is the process by which settlement disputes are resolved between card issuers and merchants under the relevant card scheme. It is organised and run through the overarching card scheme but customers wishing to use the service must go through their card issuer (Barclays in this case). The chargeback scheme is voluntary, and banks are not under any formal obligation to submit a chargeback claim. But this service's view is that it is good practice for a bank like Barclays to make a chargeback claim where the right exists, timescales are met and there is a reasonable prospect of success.

In this case, Barclays raised a chargeback with the correct merchant, N. I think Barclays acted reasonably in doing so. N provided evidence to show that it provided the service expected – flights, so wasn't liable under the scheme. Barclays asked Ms S for any further comments on this evidence, but she didn't respond. In any event, given the circumstances of

this case, I don't believe there was anything Ms S could have provided to take the chargeback any further. Overall, I'm satisfied Barclays acted reasonably in respect of the chargeback.

Ms S has referred to section 75 of the Consumer Credit Act. As this protection is only available for certain payments made by credit card, or when the payment is financed, and Ms S used her debit card, I can't consider the protection offered by it.

Overall, although I recognise Ms S has fallen victim to a scam and lost money as a result, I can't fairly ask Barclays to reimburse her.

### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 12 February 2025.

Jay Hadfield  
**Ombudsman**