

The complaint

Mr B complains that Barclays Bank UK PLC (“Barclays”) failed to refund purchases he made that weren’t delivered.

What happened

Mr B explained that he made a number of purchases through what he thought was a popular online website I’ll refer to as T. Two of the purchases were made in July 2023 and a third in October 2023.

None of the purchases were delivered and Mr B attempted to contact the sellers, but their websites had been shut down. Mr B says he contacted Barclays by letter on several occasions to dispute the transactions.

Mr B heard nothing from Barclays and eventually spoke with his local branch. Barclays hadn’t received any dispute in their records, so Mr B raised a complaint with Barclays.

Barclays advised that they couldn’t proceed with the dispute using a chargeback because the time limit of 120 days had been exceeded.

Mr B disagreed with Barclays decision and brought his complaint to the Financial Ombudsman Service for an independent review.

Both parties were asked for information about the situation and Mr B was able to send a copy of a letter he’d written to Barclays, copies of statements highlighting the disputed transactions and copies of receipts he received from the sellers. Mr B also said:

- Barclays advised him that our service could tell them to refund Mr B.
- The head cashier at Mr B’s local branch agreed to issue a refund.
- Mr B now suspects the websites he used to make the purchases were fraudulent.
- The actual sales took place outside of T’s platform.
- He posted the letters to Barclays under a certificate of posting. Mr B says he has misplaced the certificate(s).
- Mr B went to the branch (March 2024) to follow up his dispute. At the time he was significantly ill and under several powerful medications.

Barclays provided their records, including contact notes for Mr B. In summary this showed:

- There was no record of any dispute until March 2024. By this time all of the purchases were beyond the chargeback time limits.
- Mr B’s complaint originally logged two transactions. Neither one could be identified based

on the information provided.

- Barclays were unable to pursue the dispute.

After reviewing the evidence, the investigator didn't think that Barclays had acted unfairly. He didn't uphold Mr B's complaint and commented that:

- He couldn't be certain the letters had been posted.
- Barclays had no records of the receipt of any letters.
- Mr B could have contacted Barclays via other means to pursue the dispute before the time limit had passed.

Mr B disagreed with the investigator's recommendation and argued that:

- He was severely disabled and vulnerable and is anxious when using the phone.
- Postal rules state that documents are served after two working days from the date of sending. Accordingly, they were deemed received under case law.
- The decision is wrong and unfair.
- There's no law that requires proof of delivery and on the balance of probabilities they were sent.

Mr B wanted an Ombudsman to review the outcome. As no agreement could be reached, the complaint has now come to me for 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.

My focus is on what I think the key issues are as our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

It's apparent from the circumstances described by Mr B that he made a number of online purchases in good faith. He didn't receive those goods and attempted to dispute them. He's also the only one whose lost out financially here.

I wanted first to deal with the issue of authorisation. There doesn't appear to be any disagreement about whether Mr B used his debit card to make the three purchases, so for the purposes of the Payment Service Regulations 2017, the three disputed transactions are considered to be authorised.

Whilst Barclays are required to follow Mr B's legitimate instructions (by using the appropriate method (here his debit card details for an online purchase) they're also expected to be on the lookout for suspicious or unusual activity. Given the low level of these payments, I don't think there was anything particular that stood out that I'd expect Barclays to have identified at the time. I don't think Barclays missed an opportunity to stop these payments.

But, payments by debit card have an additional protection. A chargeback is a way for a debit card provider to reclaim money from the retailer's bank when a consumer doesn't get the goods or services they've paid for, or the goods are faulty or defective.

It isn't a legal right and there's no guarantee the card provider will be able to recover the money through chargeback. The process is subject to the rules of the relevant scheme and strict time limits apply. A chargeback that's raised late will be deemed invalid.

Whilst the card provider isn't required to raise a chargeback claim just because a consumer asks for one – I consider it good practice for a chargeback to be attempted when there's a reasonable prospect of success.

I've noted the discussion and argument about whether Mr B sent letters to Barclays and whether they received them. Barclays records indicate there was nothing received from Mr B until March 2024 which was outside the 120-day time limit.

I can't know what happened when Mr B posted his letters, but Barclays records don't indicate any receipt of them. If they had, I'd expect to see some record of this. I have considered all of Mr B's points here about postage, but without a dispute being registered, I don't think Barclays had any information with which to consider Mr B's claim(s).

I wanted to acknowledge Mr B's method of choice for communicating with Barclays. There's no requirement that any particular form of communication is needed, and Mr B has his own reasons for using letters sent through the postal system. It's just unfortunate that his letters weren't registered with Barclays as being received.

Given that Mr B suspects the websites he made purchases from were fraudulent, I think there's some doubt that any chargeback request would have been successful. Particularly given they appeared to have already been shut down when Mr B tried to get in touch with them.

So, on balance, I don't think Barclays acted unfairly or unreasonably towards Mr B here. There's no evidence they were aware of the dispute within the appropriate timescales and even if they did, there's some doubt whether they could have mounted a successful request.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 November 2024.

David Perry
Ombudsman