

The complaint

Mr K complains about the way Barclays Bank UK PLC handled chargeback claims he raised.

What happened

Mr K booked holiday accommodation using his Barclays Bank debit card. Unfortunately, he was dissatisfied with the quality of the accommodation and on returning home he asked Barclays Bank to obtain a refund for him. Although Barclays Bank raised chargeback claims, it didn't give Mr K the opportunity to submit further comments when the supplier responded disputing events. Instead, it told Mr K it had closed one of the claims and didn't inform him of the other claim at all.

By the time Mr K found out, he was out of time to challenge the claim outcomes. He complained to Barclays Bank. It has refunded him both payments, totalling just over £1,200. And by way of apology for its handling of matters, it has paid him £100 compensation.

Our investigator was satisfied with the steps Barclays Bank had taken to resolve matters. She didn't think it needed to do anything more. Mr K hasn't agreed with the investigator's assessment. He thinks Barclays Bank should have refunded him earlier, and that it should pay him interest in recognition of this.

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.

Mr K paid the supplier by debit card. So Barclays Bank doesn't automatically have a potential liability to him, as it might have if he'd used a credit card to pay the supplier for the accommodation. His claim for the quality of that accommodation is one he has against the supplier. I wouldn't expect Barclays Bank to reimburse Mr K for this unless its handling of the claim was so remiss that it had caused him demonstrable loss.

Undeniably there were shortcomings in the way Barclays Bank dealt with Mr K's claims. It's communication with Mr K was poor, and that's had an additional impact on him given his disabilities. The bank has acknowledged this and has paid Mr K compensation.

But I'm not persuaded that, had the bank handled the claims better, Mr K would have received his accommodation costs back via chargeback. That's because the card scheme rule¹ that covers quality of goods or services received – such as hotel accommodation – require that a service is cancelled and limit the amount of a claim to the unused portion of that cancelled service. Mr K didn't cancel his hotel accommodation, and so any chargeback claim made on these grounds would not have secured him a refund of his payments.

¹ Visa Core Rules and Visa Product and Service Rules April 2023 – Dispute Condition 13.3: Not as Described or Defective Merchandise/Services – Dispute Rights

Notwithstanding, Barclays Bank has paid Mr K his accommodation costs in full. That meant Mr K didn't need to take any further action towards the supplier, which would have been the only recourse open to him if the bank had handled the chargeback claims correctly. Had the bank not already paid these sums to Mr K, I would not be requiring it to do so. I'm satisfied that any concerns Mr K might have about whether he was due interest are more than addressed by the sums he's already received.

My final decision

My final decision is that Barclays Bank UK PLC doesn't need to take any further action in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 December 2024.

Niall Taylor
Ombudsman