

The complaint

Mr W has complained that Barclays Bank UK PLC won't refund transactions he alternately said he either didn't authorise, or did authorise but as part of a scam.

What happened

Across several weeks in autumn 2023, a series of card payments were made from Mr W's Barclays account to online merchants, totalling over £400.

A month after the last payment, Mr W reported them to Barclays, saying they'd been made without his knowledge or permission.

Barclays gave Mr W a temporary refund while they investigated. They found that the payments had been made using his genuine card details, on a card he'd not lost, on his usual device and internet connection, interspersed with Mr W's genuine spending. And he'd been checking his online banking at the time and would've seen the payments, but didn't report them until significantly later. So they re-debited the temporary refund.

In 2024, Mr W complained. He now says that while he did authorise the payments, they went to a merchant who won't pay him his gambling winnings, and they since took their site down. He says he's been scammed, and that Barclays should get a refund from the merchant.

Our Investigator looked into things independently and didn't uphold the complaint. Mr W didn't agree, so the complaint's been passed to me to decide.

I sent Mr W and Barclays a provisional decision on 24 July 2024, to explain why I didn't think the complaint should be upheld. In that decision, I said:

I've listened to Mr W's calls with Barclays, where he originally claimed that the payments in question were taken without his consent. So I'll first consider Mr W's original claim.

Broadly speaking, Barclays would be responsible for refunding unauthorised payments, whereas Mr W is generally liable for payments he authorised.

I'm reasonably satisfied that the payments in dispute were made with Mr W's consent, for the following reasons:

- *They were made on the same device he used before and after*
- *They were linked to the same phone number Mr W used before and after*
- *They were made at the same IP addresses Mr W used before and after*
- *They were made using Mr W's correct card details, which were manually entered, and he had not lost his card*

- They were interspersed with Mr W's genuine undisputed spending, made around the same times
- Mr W was frequently checking his online banking at the time and would've seen the transactions, but he chose not to report them until over a month after they'd finished
- Barclays sent Mr W a text message at the time to check whether some of the spending was genuine, and Mr W confirmed it was
- Mr W has since repeatedly confirmed that he did authorise these payments

As such, I currently think that Barclays do not need to refund the payments as unauthorised.

Mr W now says he was scammed by the merchant, and I'm sorry to hear that. It's worth keeping in mind that if the merchant did not give Mr W money he was due, then it's the merchant who'd be primarily responsible for that, and it's the merchant who'd owe Mr W the money. But I can only look at what Barclays are responsible for. The merchant is outside of my jurisdiction.

I've considered whether this situation would be covered by the CRM Code for scams. But that code is only for certain types of payments, such as bank transfers. As card payments, these transactions were not covered by the CRM Code.

As the payments involved were authorised, under the Payment Services Regulations, Mr W is liable for the loss in the first instance – even if he didn't intend for the money to go to a scammer. And broadly speaking, Barclays had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Barclays should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Here, the payments were small, made over a relatively lengthy period, and were broadly in-line with Mr W's usual spending. I do not find that Barclays needed to block the payments or intervene.

Next, I've considered what Barclays did to try to recover Mr W's money. Mr W suggested they should've done a chargeback. While I understand his thinking, I should explain that while chargebacks are often good practice, they are voluntary. Chargebacks can only be made for certain reasons – such as a payment being unauthorised. They also have to be made within certain timescales. And I'd only really expect the bank to try a chargeback if it had a realistic potential for success. There wasn't a realistic prospect of success for a chargeback under Mr W's original claim of the payments being unauthorised, since – as I found above – they were in fact authorised. There isn't a chargeback reason which specifically covers this type of alleged scam. And by the time Mr W explained he'd been scammed, it was too late to raise a different type of chargeback in any case.

While I understand Mr W feels that banks should be able to just reclaim money from merchants, things do not work that way. These payments finished processing long before Mr W reported them, and banks cannot just reverse these payments at will in the way Mr W suggested. I do need to point out that Barclays do not regulate merchants, are not generally responsible for merchants' actions, and are not generally required or well-equipped to help people get their gambling winnings. And I should also explain that scammers commonly move on the money as quickly as possible, before the victim realises what happened and reports things. So if this was a scam, then by the time Mr W explained it was, I'm afraid it's most likely that the money was long gone.

So while I'm sorry to hear that Mr W may have been scammed, I don't currently find that Barclays should be held responsible for his loss. And so I can't fairly tell Barclays to refund Mr W's money in this case.

I said I'd consider anything else anyone wanted to give me – so long as I received it before 7 August 2024. But neither Mr W nor Barclays sent me anything new to consider.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I do not uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 September 2024.

Adam Charles
Ombudsman