

The complaint

Miss W complains that Barclays Bank UK PLC allowed an unauthorised payment to leave her account using expired card details.

.What happened

On 9 June 2024, a transaction for £19.00 debited Miss W's Barclays account. When Miss W discovered this transaction, she says she realised that it had been carried out using card details that had expired. She contacted Barclays to ask for an explanation as to how this had happened, and asked it to refund the £19.00.

The merchant refunded the transaction the same day it debited; however, Miss W raised a complaint with Barclays as she remained concerned as to how the transaction was allowed to debit her account in the first place.

Barclays' response said:

- The merchant had set a payment method as 'recurring purchase payment.' When this happens, if card details are updated, they are updated with the merchant too.
- It raised a request to stop this merchant from taking any further payments from Miss W's account.
- It was sorry if Miss W faced inconvenience was a result of the transaction. However, no bank error had been made.

Miss W was unhappy with this explanation and referred her complaint to our service. She says her main concern is that Barclays updated her card details with the merchant without her explicit consent or knowledge, and she's concerned about the security of her financial information. She says the issue caused her significant distress, anxiety, and inconvenience.

One of our investigators looked into Miss W's complaint. She referred Miss W to the merchant's website which explained the process of updating card details, and from this, was satisfied Barclays hadn't made an error allowing the transaction to debit. As such, she didn't think Barclays needed to do anything further with this complaint.

Unhappy with this, Miss W asked for an ombudsman's decision. So the complaint has been passed to me.

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.

Having done so, I agree with the conclusions reached by our investigator for the reasons I set out below.

I'd firstly like to say that I appreciate Miss W's comments that although she's received a refund, this does not address how her card details were handled. I understand she's concerned about the security of her financial information, and I was sorry to hear that this has had a negative impact on her.

I acknowledge that Barclays told Miss W that the merchant had processed the disputed payment as part of a subscription, and explained that this is the reason why the disputed transaction was processed. However, I'd like to explain more about this.

The merchant who the £19.00 transaction went to, works in partnership with some card issuers, including Barclays. This is via the card scheme itself, in this case VISA. Miss W's payment information was held by Barclays, the merchant, and VISA, and VISA has a system in place called 'VISA Account Updater.' This allows some merchants, including the one who took the £19.00 transaction, to obtain up to date payment information. The merchant involved in this transaction was able to debit the £19.00 from Miss W's account because she'd previously provided her expired card details to it, and they were updated via the VISA Account Updater system. And Barclays allowed the payment to be processed as a result of this system.

And, because of this system, the merchant processed the disputed transaction as a continuous payment authority (CPA), which may be referred to as a subscription. Miss W doesn't need to give explicit consent for her card details to be part of the VISA Account Updater, and as such, I don't find that Barclays did anything wrong by allowing the £19.00 transaction to debit Miss W's account. I don't find it had any reason to believe the transaction wasn't carried out by Miss W herself. In any event, I'm pleased that Miss W received a refund, as if she hadn't, in view of the relevant regulations surrounding unauthorised transactions, Barclays would've been responsible for a refund.

Miss W told our investigator that Barclays' handling of the situation caused her significant distress, anxiety, and inconvenience. And because it continued to say it hadn't made any error, this worsened her concerns about the security of her financial information. I'm sorry to hear that this was the case, and I hope my explanation about the VISA Account Updater process hasn't worsened that further. But, I don't find that Barclays has said anything wrong here.

As such, I won't be asking Barclays to do anything further with this complaint.

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 Miss W to accept or reject my decision before 12 May 2025.

Lorna Wall
Ombudsman