

The complaint

Mr F has complained Barclays Bank UK PLC won't refund two card transactions he says he didn't authorise.

What happened

In August 2023 Mr F and his family were abroad on holiday. At the airport they were picking up a car which Mr F believed his son had booked and was paying for. He'd temporarily given his son his debit card to buy some coffee as they were waiting around.

Mr F got a notification from Barclays that a payment of more than £1,000 was being made. He subsequently discovered other payments to the car rental company which he didn't believe he'd authorised. He believed the car rental terms prohibited them from taking someone else's card to authorise transactions when the name was different from the individual hiring the car.

There was then an accident with the car during the holiday and a further debit of £2,992.63 was taken from Mr F's account on the car's return.

Barclays believed Mr F must have authorised the two disputed transactions of £318.91 and £2,992.63. They had no grounds to complete a chargeback on his behalf and wouldn't be refunding him.

Mr F brought his complaint to the ombudsman service.

Our investigator reviewed the evidence Barclays provided as well as Mr F's testimony. She noted Mr F accepted he'd given his son his debit card and the initial transaction for £318.91 was authenticated by the use of Mr F's PIN. She felt it was most likely Mr F had authorised the two transactions and wouldn't ask Barclays to refund him.

Unhappy with this outcome, Mr F has asked an ombudsman to consider his complaint.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is 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 relevant time.

The regulations which are relevant to Mr F's complaint are the Payment Services

Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. There are exceptions to this and that would include if the customer had acted with gross negligence or intent to allow any security details – including the card and PIN – to be used by someone else.

To help me come to a decision, I've reviewed the evidence Barclays provided as well as what Mr F has told us.

I note Barclays has provided no evidence to suggest Mr F acted in a grossly negligent manner, but they have stated that Mr F gave his debit card to his son and by doing so gave him apparent authority to use his card. There are provisions within the PSRs which suggest that by giving another person their payment instrument – in this case Mr F giving his son his debit card – they're providing authority for that person making those transactions. Our investigator explained this in her view.

The way I've looked at this is slightly different, but the outcome remains the same.

I'm sorry to say that I believe Mr F has acted with intent by providing his son with his debit card, and I believe the means to use the debit card – specifically the PIN. I say this because:

- The first disputed transaction was the one for £318.91. Mr F's son had to use his father's card as his was unavailable. What I know is that Mr F's son knew his father's PIN and was therefore able to authenticate this transaction. I think it's more than likely, despite what Mr F has told us, that he must have told his son his PIN. This means this transaction was authorised by Mr F.
- The transaction that first alerted Mr F to the disputed card use was the one for £1,248.85. I believe this was the card authorisation amount which the car rental company charged the card as a holding deposit. This was never debited to Mr F's current account as it was only ever a holding amount, and of course, the car was returned.
- All parties accept the car was involved in an accident. This I believe is why Mr F's debit card was debited £2,992.63 to cover the costs of this. Mr F has told us his son took out insurance but if this was the case, I'd expect to see this confirmation. I'd also have expected Mr F to progress his dispute through the international car rental company or the insurance company. I've not seen evidence of either.
- I'm satisfied the second amount that was debited was authorised as part of the car rental agreement, despite no further PIN or additional activation by Mr F (or his son) for this payment.

It's difficult to understand from Mr F's testimony whether he believes his son has lied to him or whether he understands why his card was used. I'm not convinced that it's Barclays' responsibility in this case to resolve a dispute between a father and his son or even Mr F and the car rental company.

I've considered whether Barclays should have submitted a further claim under the international card scheme rules which govern chargeback. But based on the evidence Barclays has shared showing the merchant's confirmation of the transaction, and the rental agreement terms which were also shared, I don't think they would have had any chance of success.

Based on the evidence of this complaint, I'm satisfied that Barclays should not refund Mr F.

My final decision

For the reasons given, my final decision is not to uphold Mr F's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 February 2025.

Sandra Quinn
Ombudsman