

The complaint

Ms C complains about the way Barclays Bank UK plc handled her claim for refunds of payments made with her debit card.

What happened

Ms C subscribed to a travel club, which I'll refer to as "N". It provided services including: booking of flights, hotels and airport lounges; concierge services; and travel discounts. Ms C paid a monthly subscription of £55.20 which was taken from her debit card.

In June 2024 Ms C contacted Barclays. She said that she had not received the services she was expecting from N and she asked the bank to assist in recovering all the payments she had made to it. They totalled over £2,300.

Barclays raised disputes with N. It challenged the claims. Barclays decided not to take the matter any further, but it did agree to refund £220.80, equivalent to four monthly payments.

Ms C was unhappy with the partial refund and referred the matter to this service. She said that the bank had said it could assist in recovering all the payments she had made to N, but it had not done so.

Ms C referred the matter to this service, where one of our investigators considered what had happened. She did not recommend that the complaint be upheld. She noted that the time limit for submitting claims of the type Ms C was making was 120 days from the date of the payment, so the most she could have recovered was £220.80 – the sum which the bank had paid her as a gesture of goodwill. She thought therefore that Barclays had done enough to resolve matters.

Ms C did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

Where goods or services are paid for with a debit or credit card and a dispute arises, it is sometimes possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (in this case, Visa). A card issuer (here, Barclays) raises a claim through the scheme against the merchant's provider of card facilities. That provider will then consider whether the claim meets the relevant criteria for chargeback (if necessary, seeking evidence from the merchant) before responding to the claim. Where necessary, the scheme provides for arbitration between the financial businesses.

Chargeback is however primarily a scheme for resolving disputes about payment settlements – including, for example, where payments are not authorised or are duplicated. But it can also be appropriate where goods or services have been paid for but not delivered.

It can therefore have the effect in some cases of resolving disputes between merchants and consumers, but it is not always an appropriate or effective mechanism for achieving that aim.

The chargeback scheme is also subject to strict time limits. Usually, a claim must be submitted within 120 days of the payment being made, and that is the time limit for subscription services.

There is no legal or regulatory obligation on a card issuer to pursue a chargeback claim, but this service takes the view that they should do so where there is a reasonable prospect of success.

In this case, N defended the chargeback request. It said that it *did* provide the services which Ms C paid for and that, in any event, the claims were out of time. The bank accepted those arguments, but agreed to make a partial refund in any event – and as a gesture of goodwill.

As I have said, I believe that the relevant time limit here was 120 days from payment. So, even if Ms C had been able to show that services were not provided, the most she would have been able to recover under chargeback rules was four monthly payments, or £220.80. It follows that the bank's response to her claim was a reasonable one.

I note that Ms C says that the bank said it would help her recover the full amount she was seeking. I don't believe, however, that, even if the bank did say that, it amounted to a promise to refund over £2,000. If Barclays had agreed to do that, I think it would have said in clear and unequivocal terms that it would provide a full refund. It didn't do that. And, whatever further steps it might have taken to seek a refund from N would have made no difference to the overall outcome.

My final decision

For these reasons, my final decision is that I do not uphold Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 16 July 2025.

Mike Ingram
Ombudsman