

The complaint

Mr J complains that Barclays Bank UK PLC has declined to refund a disputed transaction that was made from his account.

What happened

On 11 June 2024, Mr J says he lost his debit card. The same day, a transaction for £4,786.44 was made to a holiday company that Mr J says he didn't make.

When Mr J discovered the transaction, he says he contacted Barclays to report it as unauthorised and asked it to refund the money. But the bank didn't think it was liable for his loss. Unhappy with this, Mr J raised a complaint with Barclays as he believes the transaction should be refunded.

Barclays said:

- The transaction was approved following a text message that was sent to Mr J's telephone number.
- It was unable to find any evidence that the transaction was completed by a third party.
- It would not be refunding the disputed transaction.

Mr J remained unhappy and referred a complaint to this service. But our investigator didn't think Barclays was responsible for his loss as she felt the transactions had been authorised by Mr J. Mr J didn't agree, and asked for an ombudsman's decision.

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 reasons I set out below.

The regulations relevant to this case say that generally speaking, a bank is entitled to hold a customer liable for authorised transactions. And I've taken that into account when deciding what is fair and reasonable in this case.

On the same day as the disputed transaction, Mr J's account was in receipt of a £5,000 credit. Mr J made the deposit himself in a Barclays branch and says the money was from his work and savings. He planned to use the money for treatment as well as to travel. Prior to that, his account balance was £7.79. So the disputed transaction could not have been possible without the £5,000 deposit being made.

Mr J says he lost his debit card after being in the branch, and assumes that the person who

found it also carried out the disputed transaction. But there are a number of reasons why I find this very unlikely.

For one, a number of hours pass from the last undisputed transaction made on Mr J's account (using his card) to when the disputed transaction was made. With no balance enquiry in-between. So, if Mr J did lose his card as he says, its hugely coincidental that whoever found it did so after the £5,000 credit that same day. This credit funded the disputed transaction. And, whoever had his card must have had an idea of his account balance to make the holiday payment (without any other transaction attempts), because no balance enquiry was made.

Mr J said the person who found his card might have seen him in the bank making the deposit of £5,000. But, that doesn't explain why they waited around five hours to use his card. I don't consider that likely, as I'd expect an opportunist thief to use the card as soon as possible, in case Mr J realised it was missing and cancelled it.

Barclays has told our service that the transaction was approved using 'Verified by Visa.' As part of this process, it says a text message was sent to Mr J's mobile phone with a code to approve the transaction. Barclays has shown us that it holds Mr J's correct mobile telephone number on record. And whilst I don't have the actual evidence that a text message was sent to Mr J, (as Barclays says the system record is no longer available), I consider it more likely than not that the message was sent. I say this because it's a common process with 'Verified by Visa' verification, and the presence of a text message being sent is noted within Barclays' fraud investigation notes as well. There is no explanation how someone other than Mr J would've been able to receive this code to approve the transaction in dispute.

Mr J appears to have told Barclays that his phone was lost as well as his card at the time of the transaction. But he didn't mention this to our investigator. Instead, he said he didn't receive any text messages. Mr J said that his account must have been targeted by hackers, but I haven't seen any evidence to suggest that's the case.

I've also considered that Mr J has told us this was his only bank account at the time of the disputed transaction. Up to the date of the disputed transaction, Mr J's account or the associated debit card was used every few days. But after the disputed transaction, Mr J seemingly didn't notice it straight away, as he didn't report it to Barclays until 15 days later. Considering the way Mr J operated his Barclays account, as well as the £5,000 deposit that he'd made, I find it more likely that Mr J was aware of the disputed transaction. Mr J says he was unwell and didn't know about the activity on his account, but in the circumstances of this complaint, I find that unlikely.

When making this decision, I've considered the likeliness of each point above, in the context of the transaction being made by an unauthorised individual. Based on the evidence, I find it more likely than not that Mr J made the disputed transaction himself or authorised someone else to make it on his behalf. I don't find the version of events Mr J has presented to be plausible. And so, I won't be asking Barclays to refund the £4,786.44 to him.

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 Mr J to accept or reject my decision before 27 May 2025.

Lorna Wall
Ombudsman