

## **The complaint**

L complains that Barclays Bank UK PLC mishandled a chargeback claim for defective goods by being too rigid in its application of the time-limit to make such a claim.

## **What happened**

In September 2023 L purchased some flooring using a debit card it held with Barclays Bank for the cost of £499.09. At around the same time, a director of L also purchased the same flooring but for personal use and this time used a credit card which was again held with Barclays Banks.

In July 2024 the company that had supplied the flooring went into administration.

Over time the flooring showed signs of excessive wear and tear, and independent advice was sought as to its quality. The director of L made a claim under section 75 of the Consumer Credit Act 1974 seeking to be reimbursed for the flooring they had purchased using their credit card.

However, L says that it decided not to make a chargeback claim for the flooring cost of £499.09 until there had been a resolution of the section 75 claim as it thought this could cause confusion and that it would allow Barclays Bank to evaluate the evidence it had provided as to the quality of the flooring. L said that this delay would be to the benefit of Barclays Bank.

The section 75 claim was successful, and so L raised a chargeback claim in January 2025 in respect of the £499.09.

Barclays Bank declined to accept the chargeback claim and L complained to it. Barclays Bank issued its final response letter in which it explained that under the chargeback scheme rules a claim had to be made within 120 days. It said L had made its chargeback claim too late under the scheme's rules. Barclays Bank said it had not acted unfairly by declining the claim.

L was unhappy at Barclays Bank's response. L said that Barclays Bank had acted unfairly by being too rigid with its application of the scheme rules and that it should have taken into account the exceptional circumstances that applied to L's decision to wait for the decision on the section 75 claim first. L said its decision to wait had been deliberate and made in good faith.

Our investigator didn't recommend L's complaint should be upheld. She said the applicable rules for L's chargeback claim were set by VISA and Barclays Bank had no choice but to apply those. Our investigator said that there was no discretion in the time limits imposed and Barclays Bank couldn't look at whether there had been any exceptional circumstances as to a late chargeback claim.

L disagreed with our investigator's view. L said it would be unfair for legitimate claims to be declined if there were exceptional circumstances as to why a claim was made late. L said

that other schemes allow flexibility, and this should be applied to its chargeback claim.

L requested that a final decision be made by an ombudsman about its complaint and so it 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.

I've seen that the director made a claim under section 75 in respect of the flooring being defective while L made a chargeback claim. These are two different processes. A section 75 claim is a legal claim made under the Consumer Credit Act 1974 and can be made when goods or services are paid for by a consumer using a credit card. A chargeback claim isn't a legal claim; it's a process by which payment disputes are resolved between the card issuers and the merchants. A card issuer isn't obliged to make a claim for a consumer and such claims don't give consumers legal rights nor guarantee a refund will be made. However, it is good practice for a card issuer to make a chargeback claim if the claim has a good chance of succeeding. As L used a debit card, then for it to seek a reimbursement for the £499.09 spent on the defective flooring it had to make a chargeback claim.

Chargebacks are considered using the card scheme's rules and the timescales for submitting claims are strict. Here the applicable rules for a chargeback claim are set by VISA and Barclays Bank must follow the scheme rules as provided.

The issue for me to decide is whether Barclays Bank acted fairly in declining to make the chargeback claim for L. Barclays Bank says that under the scheme's rules the claim was too late being outside of the 120 days from the transaction date or the date the goods were received which is applicable for when goods are not as described or defective. L isn't disputing that the claim was made outside of the time limit, but says that by following the rules so rigidly then it hasn't been able to make a legitimate claim which is unfair and unreasonable. L says exceptional circumstances apply to its decision to delay the chargeback claim.

While I appreciate L's frustration, I can't reasonably say that Barclays Bank has made an error here. It has considered, as it must, the time limit set by the scheme and as the chargeback claim has been made after the 120-day period it has found that it is out of time under the scheme rules. I disagree with L that Barclays Bank has the ability to extend the prescribed time limit because, as set out above, the chargeback rules aren't made by it only applied.

L has said that this service should have the authority to go behind the time limits set for making chargeback claims. It says that we are able to look at exceptional circumstances when looking at our own rules on time limits and the bringing of complaints for this service to deal with. But our rules, which are set out by the Financial Conduct Authority, are quite separate to the rules set by VISA for chargebacks. I can't compare our services approach and discretion around time limits to the rules set by VISA which the card issuers are obliged to follow. And for this complaint, I must look at what Barclays Bank did and consider whether its actions were fair.

So for the reasons set out above, I can't reasonably say that Barclays Bank should have ignored the time limits set by VISA as it has no remit to do so. I think it's also fair to note that even if Barclays Bank had decided to extend the prescribed time limit, then this would have allowed the merchant to successfully defend the request on the grounds it was made out of time. I'm satisfied Barclays Bank fairly applied the chargeback scheme rules to L's claim as it

should have. And I'm not upholding L's complaint.

As I can't ask Barclays Bank to review this chargeback request and take into account the reason for the delay, I'm not going to make any comment as to whether L's reasons for delaying the chargeback amounted to exceptional circumstances or not.

### **My final decision**

For the reasons set out above, I'm not upholding L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 12 September 2025.

Jocelyn Griffith  
**Ombudsman**