

I issued my provisional decision on 27 January 2025. Since then, I have heard from Barclays Bank UK PLC and Mr W. I've reviewed the information given and have issued my final decision below.

### **The complaint**

Mr W complains that Barclays Bank UK PLC (trading as Barclaycard) didn't stop him from being charged £4,060.51 for a taxi journey that he says should have cost him around £45.

### **What happened**

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr W agreed to a taxi from an individual he met at a foreign airport. Mr W said that the individual wore an ID card on an airport lanyard, and he was led to a car and driver. Mr W was informed by the driver that his card machine was broken so they stopped at an office to make payment. Mr W says the machine was out of paper, so he didn't get a receipt.

Mr W accepts that he used his PIN to make the transaction but stresses that this was for 45,000 CLP not 454,080 CLP. Mr W says that he didn't agree to this transaction and contacted Barclaycard when the transaction was showing as "pending" on his app. Mr W is also unhappy with how this was handled by Barclaycard.

Barclaycard says that as the transaction was verified by Mr W and he willingly provided his card details to the merchant they are not upholding his claim. They also said that they are unable to recover the funds for him as he is unable to provide proof of either the service he received or the service he was expecting to receive. Barclaycard accepts they could have handled his claim better and have offered £150 compensation for this.

### **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 accept that Mr W has been the victim of a fraud here, but unfortunately, that isn't enough for me to say Barclaycard is responsible for refunding the amount Mr W lost out because of the fraud.

When an account holder raises concerns about a transaction, I'd expect their card issuer (in this case Barclaycard) to investigate the situation to see if it has any responsibility for refunding the disputed amount. It may need to refund the customer if they didn't authorise the transaction, or if it didn't intervene in the payment to check it was one its customer wanted to make when it ought fairly to have done so. In some circumstances, a card issuer can also ask for a transaction its customer made to be refunded through the chargeback process operated by the card scheme.

Considering the above, I've carefully reviewed the information given to see whether Barclaycard has treated Mr W fairly by declining his claim for a refund. I'll address each

potential avenue of redress for Mr W in turn and explain why it isn't applicable on the circumstances here.

#### Did Mr W authorise the transaction?

Generally, a bank is expected to process transactions that a customer authorises it to make, in accordance with the relevant Payment Services Regulations (PSRs) and the terms and conditions of the account. I've taken that into account when deciding what is fair and reasonable in this case.

What constitutes an authorised or unauthorised transaction is defined in the PSRs, which broadly say Barclaycard would only be required to refund Mr W if he didn't make or authorise the disputed transaction himself. If Mr W did authorise the transaction, Barclaycard aren't expected to refund it.

Authorisation in this context carries a narrow meaning. A transaction is considered to be authorised if Mr W entered his card and PIN to authenticate and consent to the transaction.

This is the case even if Mr W did not know or consent to the amount he was charged. Crucially, Mr W entered his card and PIN to authenticate and consent to the transaction, it doesn't matter whether he knew the amount or not to be able to authorise the payment. His actions meet the requirements for Barclaycard to be able to treat the payment as being authorised.

I'm sympathetic to Mr W's circumstances. I think Mr W was likely deceived by the taxi driver, and I accept he was charged £4,060.51 when he thought he was paying £45. But as it appears Mr W agrees used his card and PIN to make the payment and based on the evidence I've seen I'm persuaded this happened, I think the transaction was authorised.

In the circumstances, Barclaycard aren't obligated to refund the transaction under the PSRs.

#### Should Barclaycard have intervened to stop the transaction at the time.

Barclaycard should have fair and reasonable systems in place to detect unusual transactions or other signs that might suggest its customers are at risk of fraud. Barclaycard should also in some circumstances take additional steps or make additional checks before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from financial harm from fraud.

Mr W had been using the account abroad, so I don't think overseas transactions ought to have concerned Barclaycard. I've carefully reviewed Mr W's statements from the two years prior to this transaction and can't see that he typically makes transactions of the amount disputed. However, given Mr W's credit limit at the time was £4,800, and enough to cover the payment, I don't think Barclaycard acted unfairly by not intervening here to stop the transaction.

I appreciate that Mr W says that he contacted Barclaycard when the transaction was showing as "pending" and understandably believes that as the transaction didn't show as completed Barclaycard could have intervened at this time to stop the payment. However, under the PSRs Barclaycard is under a duty to allow the merchant to collect the transaction, once it has been authorised, which as I explained above, I'm satisfied this payment was. So I don't think the transaction showing as "pending" is relevant here. I've also noted that during his initial phone call with Barclaycard where Mr W raised concerns about the transaction, they confirmed that the transaction was approved. For these reasons I can't say Barclaycard acted unfairly by not stopping the transaction.

Following my provisional decision Mr W said that before he completed the £4,060.51 payment, there were numerous declined transactions. Mr W has been consistent in his testimony and recollection, so I'm persuaded that this likely happened based on what he has said.

Barclaycard hasn't been able to provide evidence of any declined transactions at the time of the disputed transaction, as they told me they only keep this information for a short period of time. And I'm not sure why the transaction would have been declined, as it appears Mr W entered the correct PIN. It's unclear if Barclaycard detected any declined transactions, or if there were for example, issues with the payment terminal undetected by Barclaycard (this also could have possibly been part of the scam).

Barclaycard highlighted that they don't intervene for most failed transactions. Barclaycard have also explained that if they thought the transaction was fraudulent, they would have sent a text to Mr W. Which didn't happen here. I appreciate Mr W's point but taking a step back there isn't enough here for me to say on balance Barclaycard needed to intervene to stop the payment.

### Chargeback

When someone buys something with their credit card, and something goes wrong, in certain circumstances their bank can help them obtain a refund through raising a chargeback. The chargeback process is run by the relevant card scheme – in this case, that would be VISA. As it's a voluntary scheme, a customer cannot insist their bank attempt a chargeback.

But if it was able to, I'd expect it to attempt one if there was a reasonable prospect of the chargeback succeeding, as a matter of good practice.

It's important to note that chargebacks are decided based on the relevant card scheme's rules, which lay down strict conditions that must be satisfied for a chargeback claim to be successful. As the card schemes are outside the jurisdiction of the Financial Ombudsman Service, I cannot ask a scheme provider to run its chargeback scheme in any particular way.

However, I can consider whether Barclaycard applied the scheme rules correctly and conducted the chargeback process fairly. Barclaycard raised a chargeback claim under dispute condition "merchandise/services not received". But after looking at the dispute conditions I think code "incorrect amount" is more appropriate here. However, I don't think this made a difference to Mr W as both dispute conditions require documentation from Mr W ideally detailing the correct transaction amount.

Without this documentation, all the merchant or merchant's bank needed to do was respond advising Barclaycard hadn't supplied the documentation needed to meet the chargeback requirements and the chargeback would have been rejected. Barclaycard has also said that the merchant provided a response saying that the transaction was PIN verified, authorised and services were booked.

I appreciate that Mr W says he wasn't given a receipt, and I can see that the transaction shows as a payment to an individual on his bank statement rather than a company, but I don't think that makes a difference here as the relevant scheme rules are more concerned with whether the cardholder received a service, and if there's documentation showing the amount they were charged was incorrect.

Following the provisional decision Mr W responded quoting a part of Barclaycard's website which helps businesses respond to chargeback claims. In the section entitled "how to

respond to retrieval requests” there’s a part saying that details of the goods and services provided need to be clearly readable. He mentioned that Barclaycard didn’t ask the merchant for this. Mr W also quotes a final decision from 2020 where an ombudsman upheld a chargeback complaint. I appreciate Mr W taking the time to research this, it’s clear that he has spent a lot of time and effort in bringing this complaint.

When looking at previous decisions issued by our service it is important to bear in mind that our service isn’t bound by precedent, we look at each case individually on the merits. And while previous decisions are helpful, scheme rules and industry regulations are some of the things that can change. Here the pertinent thing is the criteria for a chargeback claim which is set by the card scheme. And I cannot ask VISA to amend these. These say that there are only limited grounds and limited forms of evidence for a chargeback to be considered valid. The card scheme rules required Mr W to provide supporting evidence of what the correct transaction amount should have been. I think Mr W’s testimony (and the testimony of other passengers) or a common-sense approach to the cost of a metered fare for a journey of this distance would not be sufficient to meet the card scheme’s rules. As such, I’m satisfied that Barclaycard didn’t make an error by not refunding the funds through the chargeback scheme.

From what I’ve seen, I don’t think there was any reasonable prospect of a chargeback succeeding.

#### Section 75 Consumer Credit Act

Section 75 provides that, under a very specific set of circumstances, a consumer may seek to recover money paid under a contract with a supplier from his or her credit card provider.

The relevant legislation says section 75 doesn’t apply “to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000...”

Here, there doesn’t appear to have been any written agreement about what the cash price was before the contract was formed, however Mr W said that at the end of the trip he agreed to pay 45,000 CLP (which is around £45) not 454,080 CLP.

There doesn’t seem to be any dispute the amount Mr W was expecting to pay – around £45, So, the value of the journey, and therefore the price in the absence of any agreement, is less than the amount required for a valid section 75 claim.

I’m afraid, therefore, Mr W’s claim cannot be considered under section 75.

#### Customer service

I’ve also had a look at the customer service Mr W received from Barclaycard. And I’m pleased that Barclaycard accepts that they haven’t provided clear information to Mr W here adding to his stress and confusion.

I appreciate that due to the circumstances of the fraud itself, which is outside of Barclaycard’s control, this would already have been a stressful time for Mr W. But I think Barclaycard could have been clearer throughout the process. Given the impact this lack of clarity had on Mr W and how long this went on for (Mr W received an outcome to his complaint in February 2024 and on 23 February 2024 he received a response to his complaint and an offer of £150 compensation for the poor service received) I think £150 offered by Barclaycard is fair and in line with what I would award considering the impact Barclaycard’s actions had on Mr W. Because of this I’m not asking them to increase this amount.

### Overall

I wish to stress that I have every sympathy for Mr W. The particular circumstances of this case mean he is afforded little protection and I know my outcome will not feel fair to him because it is clear he's lost out financially. But having considered these matters carefully, I can't fairly say that Barclaycard must refund this payment when the relevant law, rules and codes of practice do not place that responsibility on it. As such, I can't agree Barclaycard made a mistake by declining to provide a refund to him.

### **My final decision**

For these reasons, 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 W to accept or reject my decision before 9 April 2025.

Sureeni Weerasinghe  
**Ombudsman**