

The complaint

Mrs S has complained about the way Barclays Bank UK PLC handled a dispute she had over goods she bought.

What happened

Mrs S made two £30 open banking transfers to Merchant A, one in November 2023 and one in December 2023. She's explained that she was buying gift cards to use at Merchant B.

In August 2024, Mrs S raised a claim with Barclays, as she'd had difficulties when trying to use her gift card from Merchant A at Merchant B.

Barclays were unable to help as this was a dispute between Mrs S and the merchants, and there were no chargeback rights. Mrs S came to our service.

Our first investigator mistakenly thought these were card payments, and looked at things on the assumption that a chargeback could've been made. Barclays pointed out that these were open banking transfers, not card payments. Our second investigator didn't uphold the complaint. Mrs S wanted an ombudsman's final decision, so the complaint's been passed to me to decide.

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.

In doing so, I've taken account of everything that both sides have said and provided. But I won't necessarily comment on every single point that both sides made, as a court might. We're an alternative to the courts, here to resolve complaints more quickly and informally. So I'll keep my decision focused on what I've found to be the key points.

I'll also clarify that our service is here to look at complaints between financial businesses and their customers – for example, between a bank like Barclays and their customer Mrs S. We don't have any power over the merchants involved. So in this case between Mrs S and Barclays, I'm just looking at what Mrs S and Barclays are liable for. I cannot investigate the merchants themselves, nor resolve Mrs S's dispute with the merchants.

And while I understand that Mrs S would like to deal with this over the phone, we already have the information we need from both sides, and my decision has to be issued in writing.

Turning to the payments at hand, they were authorised by Mrs S using her mobile banking on her usual device. And the starting position in law is that Mrs S is liable for the payments she authorises, and Barclays were broadly expected to process the payments which she asked them to process.

The merchants are completely separate businesses to Barclays. Barclays were not generally responsible for what these merchants did or didn't do, nor for Mrs S's spending. There were only limited circumstances where Barclays could potentially get Mrs S's money back. Barclays didn't have the power to forcibly take the money back from the merchant whenever they wanted.

Much of this complaint revolves around Mrs S wanting a chargeback. But chargebacks can only be made for card payments, and these were not card payments. So it was not possible for Barclays to have done a chargeback. Even if these *had* been card payments, Mrs S raised them with Barclays far too late for a chargeback – and the time limits applied regardless of whether she personally knew about them or not. But again: these were *not* card payments, so it was never possible to get them back via a chargeback anyway.

Barclays might have potentially been able to recall or reimburse the payments to Merchant A if Merchant A had defrauded or scammed Mrs S. But this wasn't a scam. These were payments to a legitimate, well-established merchant. I've found no evidence to substantiate that Merchant A were defrauding Mrs S. Mrs S used Merchant A many times before this and continued to use them afterwards. And she confirmed in a recorded call with our service that she had not been defrauded and this was just a dispute over goods between her and the merchants.

Finally, as the payments from Barclays went to Merchant A, and not Merchant B, Barclays had no way of getting the money back from Merchant B at all, even if Mrs S was unhappy with Merchant B.

So there were no grounds on which Barclays were liable for these payments, nor any way they could've reasonably got them back. It was correct for them to turn down Mrs S's claim, even if I'm sure this came as a disappointment for her. I've not found any reasonable basis on which to tell Barclays to reimburse or compensate Mrs S in this case.

My final decision

For the reasons I've explained, I don't uphold Mrs S's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 10 September 2025.

Adam Charles
Ombudsman