

The complaint

Mr C complained because Barclays Bank UK PLC refused to refund him for transactions which he said he hadn't authorised.

What happened

On 11 December 2024, Mr C contacted Barclays. He was on holiday abroad and disputed three transactions which had debited his account. All three were to the same retailer and the total, in the sterling equivalent, was £540.43.

Barclays replied to Mr C on 23 December, and said it couldn't find any evidence of fraud, and couldn't offer a refund. It said it had considered the security capability of the card it had provided, Mr C's security obligations under the account terms and conditions, and the details of the transactions.

Mr C complained. He told Barclays that he hadn't used his card at all when abroad, and it had been with him all the time. He said he hadn't given the card or his PIN to anyone else. He said he wanted all the money back, or he would close his accounts.

Barclays sent its final response to Mr C's complaint on 6 January 2025. It said that two of the transactions had been made using Mr C's genuine debit card and correct PIN. It said the card had a chip capability, which is used to ensure cards cannot be cloned or copied. The records showed that the chip within the card had been read during the transactions, authenticating the use of the genuine card.

Barclays went on to say that the only possible explanation was therefore that if Mr C hadn't carried out the transactions, someone else had done so having taken, used and replaced his card. For this to have been possible, the PIN would have to be known to the person who took the card and used it.

Barclays also said it would be highly unusual for a fraudster to return the card to Mr C, because this increased the risk of being caught, and reduced the potential financial gain. If Barclays were to accept this had happened, the person must have been known to Mr C. It said it wasn't reasonable to believe an unknown third party would have had access to his belongings, and knowledge of his whereabouts in order to return the card later. Barclays also pointed out that there had been no subsequent attempts to use the card – so the person was aware that it had been cancelled. As there was no evidence of third party involvement, it couldn't refund Mr C.

Mr C wasn't satisfied and contacted this service. He said the card wasn't used while he was on holiday abroad, and hadn't left him during that time. He said he'd used other financial facilities for his holiday transactions. He said he hadn't used the card for the payments and wanted all his money back. He also told our investigator that he hadn't told anyone his PIN. He said it was stored on his phone, but that needed Face ID to access it, and the phone had been in his possession the whole time.

Our investigator didn't uphold Mr C's complaint. She said that the PIN had been correctly entered first time on the chip and PIN transactions. So whoever make them knew the PIN. Although the other transaction wasn't chip and PIN, it was at the same time and to the same retailer, so she thought that too had been authorised. She said that any fraudster would have had to take Mr C's debit card, access his phone to locate his PIN, make the transactions and return it without his knowledge. She said that while a debit card can be cloned, it isn't possible to clone a chip, so it was Mr C's genuine debit card that was used to make the transactions.

So the investigator didn't uphold Mr C's complaint, saying it was difficult to see how the transactions could have been carried out by anyone else.

Mr C didn't agree. He said he could provide evidence of what he and his wife had spent and what they'd used for that. He said he was still not ruling out that some sort of clone or fraud had occurred. He said he'd also asked many times what had been bought in the three transactions, but no-one had answered. So he believed it was a fraudulent transaction to take money out of his account. He said he couldn't be sure that things like chip and PIN weren't cloned from anywhere else, and the card might have been used in the UK or anywhere else. He said Barclays still hadn't provided proof of what had been bought. Mr C 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.

What the Regulations say

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them.

The regulations also say that account holders can still be liable for unauthorised payments under certain circumstances – for example if they've failed to keep their details secure to such an extent that it can be termed "*gross negligence*."

I recognise that Mr C believes Barclays should have provided him with detailed information about what was bought with the three disputed transactions. But the Regulations don't require Barclays to do so. What was bought makes no difference to the outcome, which I have to decide according to what the Regulations say. Similarly, Mr C suggested that he could send us information showing he'd spent money in other ways during the holiday, but this too isn't relevant to the outcome. Spending money in other ways doesn't prove who did or didn't authorise the three disputed payments here. What matters is whether Mr C, or a fraudster unknown to him, is most likely to have authorised the payments.

Who is most likely to have made the disputed transactions?

The technical evidence for all three transactions shows that the unique chip inside the card was read. All three were made in the country where Mr C said he was staying, so they weren't carried out in the UK as Mr C has recently suggested. As the unique chip was read, I accept that all three payments were made with Mr C's genuine card. As well as the genuine card, two of them were authenticated using the correct PIN, and the other one was a contactless payment. They were all made to the same retailer, using the same card, and all within a short space of time. So I consider it's most likely that they were all made by the

same person. I don't consider the fact that one payment was contactless makes any difference here.

Mr C has suggested that the card was cloned. Cloned cards have sometimes been used where the actual card isn't presented, for example in telephone transactions. But cloned cards won't work where a card is physically presented, because the unique chip inside the card is read and checked. Chip technology is complex and sophisticated and it's not generally thought technically possible to copy the chip on a card. Here, I've seen the technical evidence which shows that Mr C's genuine card was used for all three disputed transactions. This is the card which Mr C said he had throughout his holiday, and which he said never left him.

As the genuine card was used for all three transactions, I've considered how any third party fraudster might have obtained it. But as Mr C said it never left him, I can't see how any third party fraudster unknown to him could have made the transactions.

Also, two of the disputed transactions were authenticated using Mr C's correct PIN. There are 10,000 possible combinations of a four-digit number. So it wouldn't have been possible for any fraudster to have known the number, unless Mr C had disclosed it. But Mr C said he'd only recorded the PIN on his phone which was Face ID protected. As it needed his biometric data to open the phone, and Mr C said he kept his phone in his possession all the time, again I can't see how any third party fraudster could have made the disputed transactions.

If a fraudster had stolen the card without Mr C's knowledge, and somehow found out his PIN, I also can't see why any such fraudster would then have returned the card to Mr C. As Barclays pointed out in its Final Response to Mr C's complaint, there would have been no reason for the fraudster to do that. They'd have had a risk of being caught. There was also a significant amount of money still in Mr C's account after the three disputed transactions, so it's much more likely a fraudster would have kept the card and continued to spend in order to maximise their gain.

Taking all these factors into account, I consider it's more likely than not that the disputed payments were authorised by Mr C himself, or someone to whom he gave his card and PIN number. So I do not uphold this complaint and Barclays does not have to refund Mr C.

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 C to accept or reject my decision before 16 July 2025.

Belinda Knight
Ombudsman