

The complaint

Mr S complains about how Barclays Bank UK PLC ('Barclays') handled his chargeback request. Mr S is being represented. Any references to Mr S will include information provided by his representative.

What happened

On 27 November 2023, Mr S made a payment via PayPal for £845.99 using his Barclays debit card. He purchased a bike from an e-commerce online shopping platform ('e-commerce platform') which was faulty on delivery. So, he started the e-commerce platform's returns process on 5 December 2023 but was having difficulties with this due to Royal Mail weight restrictions. Unhappy with the situation, Mr S asked Barclays to initiate a chargeback. In a letter dated 20 December 2023, Barclays acknowledged Mr S's request and confirmed it'd started the chargeback process. Barclays also credited Mr S's bank account with a temporary refund pending the outcome of the dispute.

On 21 December 2023, the seller arranged for the bike to be returned using a courier service (not Royal Mail) and it was received by the relevant warehouse on 1 January 2024 (the 'January 2024 letter'). However, in defence documents dated 27 December 2023, submitted on the seller's behalf by the e-commerce platform using the Royal Mail tracking details, Barclays was told the bike hadn't been returned. Barclays requested further information from Mr S in a letter dated 4 January 2024, but this was not responded to. So, on 9 February 2024, Barclays told Mr S it was closing his dispute and would be reversing the temporary credit. When the money was deducted from his bank account on 23 February 2024, he complained to Barclays. Amongst other things, Mr S said he hadn't received the January 2024 letter. Barclays didn't issue a response to Mr S's complaint, so he referred the matter to us. Whilst the complaint was with us, Barclays confirmed it hadn't made an error in the way it handled the chargeback request.

Our investigator concluded Barclays had acted fairly in terms of not pursuing the chargeback but said there'd been some customer service failings for which he recommended it pay Mr S £150 in compensation. Barclays accepted this outcome, but Mr S didn't. I spoke to Mr S's representative to try to settle this matter informally as I thought £150 fairly reflected the distress and inconvenience caused by Barclays. During this conversation, Mr S's representative confirmed the seller had now refunded Mr S in full. However, he said that Mr S still wanted a final decision on the matter. I issued a provisional decision in this case but neither party responded so I'm now issuing my final 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.

For the same reasons as that set out in my provisional decision, I'm awarding Mr S £150 for the distress and inconvenience caused by Barclays for the following reasons:

A chargeback is a voluntary scheme run by card providers, Visa in this case. That process is subject to the rules of the scheme, and we wouldn't expect a bank to pursue matters to final

arbitration if there was no prospect of success. Barclays did attempt a chargeback for Mr S's lost funds. Barclays said in its submissions that the reason code it used was "the merchandise/service has a quality issue". But my understanding is that this reasoning is grouped under the Visa reason code "not as described or defective merchandise/services". This reason code includes disputes about the quality of the merchandise. So, I've considered matters under this reason code.

From what I can see, the seller, via the e-commerce platform, provided Barclays with compelling evidence that Mr S hadn't returned the bike. It provided a Royal Mail tracking code as evidence of this. However, what seems to have happened is that the seller had separately arranged for the bike to be collected from Mr S using a courier service due to the bike exceeding Royal Mail's weight restrictions. This doesn't seem to have been referred to in the e-commerce platform's defence documents. It's unclear why this was. But, in my view, Barclays didn't act unfairly when it approached Mr S for more information in order to refute what the seller's defence documents said.

In the January 2024 letter, Barclays asked Mr S for, amongst other things, evidence to show he'd, in fact, returned the bike. By this point, he'd received the relevant tracking details so I think this is something he could reasonably have provided to Barclays in support of his claim. Showing the disputed goods had been returned, is one of the requirements under the relevant Visa reason code. But by his own testimony, Mr S didn't respond to the January 2024 letter. He also didn't respond to the Barclays letter dated 9 February 2024 which told him it was closing the dispute and reversing the credit it'd paid to him. As chargeback is an evidence-based process, in the absence of a response from Mr S, I don't think Barclays acted unfairly or unreasonably here. I think without the information it requested from Mr S, his chargeback didn't have a reasonable chance of success.

I take on board what Mr S said about the seller's defence in that he thought this was fraudulent and reported it as such to the police when Barclays refused to continue with the chargeback. But my role is to decide whether Barclays acted fairly based on the evidence presented to it. And I think asking Mr S for further information was the reasonable thing to do in light of what the defence documents said and in light of what the Visa chargeback scheme requires.

Mr S says he didn't receive the January 2024 letter. But I can see it is correctly addressed and Barclays system dated 4 January 2024, which is the same date as the January 2024 letter, said that: "Additional information required letter sent to the cardholder". Further, Mr S has confirmed he received at least one letter from Barclays about the dispute dated 9 February 2024 which was sent to the same address as the January 2024 letter. So, all things considered, I think it's likely this latter letter was sent to – and delivered at – the correct registered address for Mr S.

I should also note there were, in fact, two letters sent to Mr S on 9 February 2024 – one said Barclays wasn't progressing the dispute and was reversing the payment on this basis – the other, which Mr S said he received, said Barclays would be reversing the payment due to a mistake. Whilst I appreciate the latter letter didn't accurately reflect the reasoning for the refund being reversed, it still indicated to Mr S that the credit he'd been given as part of the dispute was being deducted from his account. Despite this, it was only on 23 February 2023 once the funds had actually been deducted that Mr S contacted Barclays. And by this point, the dispute had already been closed. All in all, I can't fairly or reasonably conclude that Barclays acted incorrectly here.

Mr S's representative says Mr S has language barriers and this should've been taken into account by Barclays. But from what he said, the only adjustments Mr S needed from Barclays was for any correspondence to be sent by post – which I'm satisfied, on balance, happened here – and for Barclays to agree to speak to Mr S's representative during calls – which Barclays also did. Overall, I can't say that Barclays has acted incorrectly or unfairly in this regard.

Even if I were to conclude that Barclays should've initiated a chargeback when, for example, Mr S called to complain on 23 February 2024, I can see he has now received a refund from the seller. This appears to have been in response to Mr S starting court proceedings which prompted the seller to get in touch with him offering a refund. I appreciate the hard work Mr S, and his representative, have put into recovering the funds. But as Mr S received a refund in full, I don't think there is anything further Barclays needs to do in this regard. Mr S's representative says Mr S wants Barclays to pay at least £2,000 in compensation for all the cost, time and effort put into recovering the funds from the seller. However, I can't fairly conclude this decision was made as a result of a mistake made by Barclays. So, I won't be asking it to pay the compensation Mr S requested.

I can see that there were customer service issues particularly when Mr S called to complain about the reversal of the chargeback funds. Listening to the calls, I can hear that Mr S's representative did request the defence documents and was told these had already been sent and Barclays undertook to resend them. But the documents hadn't actually been sent at all and even when requested this wasn't done. So, I've considered what compensation is relevant here. I should start by noting that whilst I appreciate the time and effort Mr S's representative has put into this matter, we can only tell a business to pay compensation for any distress and inconvenience experienced by its customer, not a third party. Furthermore, all complainants and their representatives spend some time and experience some additional inconvenience in dealing with a complaint and putting things right. We wouldn't generally recommend they're compensated for this.

That said, I do think Barclays caused Mr S some distress and inconvenience by not providing him with the information he requested. At that point, he thought he'd be unable to recover a large sum of money, and I think it was important that he understood why. I understand Barclays has agreed to pay the £150 in compensation recommended by our investigator. I think this fairly and reasonably reflects any distress and inconvenience caused by its communication errors.

My final decision

My final decision is that I uphold this complaint in part. Barclays Bank UK PLC must pay Mr S £150 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 July 2025.

Yolande Mcleod
Ombudsman