

## The complaint

C, a limited company, complains that Barclays Bank UK Plc (trading as Barclaycard) didn't do more to protect it from being a victim of fraud. Mr A brings the complaint on behalf of C.

## What happened

Barclaycard provides merchant acquiring services to C, allowing it to take payments from customers. On 17 September 2024 customers made the following payments to C for items in store:

Amount	Time
£1,389.80	14:21
£727.85	14:29
£1,928.84	17:24
£848.90	17:31

The payments were taken as 'card not present' (CNP) transactions which means the physical card was not present at the time of the transaction. The third payment of £1,928.84 was attempted four times, and declined four times, before the fifth attempt with a different card was successful.

Unfortunately these transactions weren't made by the genuine card holders. In October 2024 the genuine card holders made chargeback requests to their card issuers. Those requests were successful as the card issuer accepted the transactions had not been authorised by the genuine card holders. Barclaycard said that in the circumstances it couldn't have defended the chargeback under the Card Scheme Rules. So the money was returned to the card holders leaving C without the goods or the payments for the goods.

Mr A says Barclaycard should've done more to check the payments were genuine and failed C in not doing this. He also said C had never intended to use CNP transactions, and felt Barclaycard was partly to blame for this option having been available to C.

Barclaycard considered the complaint and offered C £900 – around 75% of the first transaction – as a gesture of goodwill, acknowledging that C had unfortunately been a victim in this situation. But overall it believed it had acted in line with the agreement so was not liable for the loss.

Our investigator considered things, but didn't uphold the complaint. C didn't accept this so the complaint has been passed to me to make a 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.

The payments in this case were taken with the card details, but not the physical card and PIN. Section 4 of the terms and conditions applicable to C's agreement with Barclaycard make clear that when this type of payment is accepted, in the event of a successful chargeback, it is the merchant who will be liable.

Barclaycard also published a procedure guide, which made it clear that CNP transactions carry additional risks – and explicitly set out that authorisation doesn't guarantee payment. Authorisation only confirms there are enough funds available in the account and that the card hasn't been reported lost or stolen. Barclaycard explains in its guide it can't guarantee the person presenting the card details is the genuine card holder and as a result the merchant might be at risk of chargebacks if the transactions are fraudulent.

In this case all four of the payments Mr A accepted as CNP payments have been reported as fraudulent. And the bank(s) that issued the cards to their customers have accepted their customers didn't agree to these payments being made. So under section 4 of the terms and conditions Barclaycard has acted correctly in returning the funds to the cardholders.

Mr A has complained that he never wanted the option of accepting CNP payments using his terminal as this isn't a payment type C would typically use. But this is ultimately the payment type that was used for the transactions set out above. And this was a choice C made, not something Barclaycard had control over. So as a starting point I don't think Barclaycard acted incorrectly or unfairly in processing the payments as instructed.

Mr A feels Barclaycard should've done more to intervene because it should've recognised that C doesn't usually accept this type of payment. But Barclaycard's obligations here are not to guarantee none of the payments made to Mr A are fraudulent. It does have wider responsibilities to counter various risks, including anti-money laundering, countering the finance of terrorism and preventing fraud and scams. And it does carry out relevant checks in line with its wider obligations, but these checks won't necessarily be carried out the moment the payment transactions are made with the merchant and they don't have to be.

In this case, Barclaycard did in fact recognise the activity was unusual. It recognised that C took four payments on 17 September 2025 that were much larger than the average transactions it put through. These transactions were CNP payments which was also unusual and in the middle of the payments four attempts at payment were declined.

This was picked up when its system processed the payments in the evening on 18 September 2025, and Barclaycard reviewed the situation the following morning. This is a reasonable timeframe, as I've said, Barclaycard's agreement with C isn't that it will check every payment in real time to see if it has any concerns about the payment. I've seen the checks Barclaycard did carry out and I'm satisfied they were reasonable taking into account its agreement with C.

Mr A says C wasn't aware the payments were CNP payments and thought the payments were chip & PIN but he's not explained why or how this is the case. He argues that because C wasn't aware of this, had Barclays got in touch immediately to let it know about the unusual activity the scam would've been prevented. But the unusual activity Barclays identified was that the transactions were higher than normal, the payments were being made without the card present and that several attempts to make one of the payments was declined.

The terms and conditions applicable set out that:

*"9.2 You must keep all your point-of-sale equipment safe, secure and under your control.*

*9.3 You must:*

...

- Not allow any cardholder to enter details other than their PIN into your point-of-sale equipment, and not allow anyone other than you or your staff to enter any other details into your point-of-sale equipment."*

They go on to say that C will be responsible for any losses it suffers as a result of failing to comply with the above.

If C had kept the card terminal safe and under its control, it already would've been aware of all of the unusual factors Barclaycard had identified. So whilst Barclaycard didn't need to contact C immediately, if the circumstances during the transactions happening in real time in front of C's staff hadn't already alerted it to anything suspicious, I can't see any reason Barclaycard contacting it to give it information it already knew would've changed this anyway.

I've noted Mr A's comments that C didn't want the option of CNP payments at all. Barclaycard isn't responsible for the payment type C's terminals can accept, this is an issue with his terminal provider. I also don't accept that Barclaycard is partially responsible because Barclaycard requested the terminal provider offers this option to customers. There are customers who want to use this option. But the more relevant point here is that C was in control of how it used the terminal to accept payments from customers. This was not within Barclaycard's control and was not its responsibility.

Mr A has complained about the amount of time that passed before he was informed of the chargeback requests, but the scheme allows 120 days to make charge back claims. Barclaycard doesn't have any control over when the chargeback claim is made.

I understand C has been a victim here and has suffered a significant loss. A fraudster has used a card they weren't authorised to use and C has lost the payments taken as well as the goods that were sold. So I understand why the situation doesn't feel fair. But my role is to consider whether I think Barclaycard has acted fairly in line with his agreement with C, and I'm satisfied it has.

Barclaycard has reimbursed C for £900 of its loss as a gesture of goodwill. I don't think it needs to do anything more.

## **My final decision**

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 23 December 2025.

Faye Brownhill  
**Ombudsman**