

The complaint

Mrs T complained because Barclays Bank UK PLC refused to refund her for transactions which she said she didn't make.

What happened

On 17 and 24 February 2025, Mrs T contacted Barclays. She raised multiple claims about different transactions. Barclays sent her forms to complete, and the forms she returned were about 132 payments to a Buy Now Pay Later (BNPL) organisation. These had taken place between 21 September 2023 and 22 February 2025 and the total was £2,228.66.

Barclays gave Mrs T temporary refunds while it investigated.

On 6 March Barclays wrote to Mrs T and said it had found no evidence of fraud. It said it had contacted the BNPL organisation which had received the money, which had told Barclays that Mrs T had a registered account with them. The BNPL organisation told Barclays the personal information on its account, which matched Mrs T's correct personal information. As this wasn't printed on Mrs T's card, it must have been provided to the BNPL organisation by Mrs T or someone she knew.

In the same letter, Barclays told Mrs T that this meant it wouldn't refund her, and it also meant she'd have to return a temporary refund it had given her. It said this would be debited from her account within 14 days, and Mrs T should make sure she had enough money in the account to cover it. The temporary refunds were debited on 20 and 21 March.

Mrs T complained. She was unhappy that Barclays refused a refund, and she said she'd believed the refund had been permanent, not temporary.

On 22 March, Barclays sent Mrs T its final response to her complaint. It repeated that it had contacted the BNPL merchant, which had confirmed Mrs T's full name, address, email address, date of birth and mobile number. As this wasn't printed on the card, Mrs T or someone known to her must have provided it to the merchant. Barclays added that the BNPL merchant had said that Mrs T was a long-standing account holder and joined in April 2022, and had over 232 purchases with them.

Barclays also pointed out that the disputed activity had happened over a period of 18 months. During this time, Mrs T had often logged on to her Barclays Mobile Banking (BMB). So she'd have been aware of lots of debits, and the balance significantly decreasing. Despite this, Mrs T hadn't cancelled her card or contacted Barclays. She hadn't raised a fraud claim for over a year after the disputed transactions had started. Barclays explained it's the customer's responsibility to report unauthorised transactions promptly. Mrs T's failure to report this was gross negligence, and a failure to protect her card. There was also no evidence of any third party involvement.

In relation to the temporary credit, Barclays said it notified Mrs T that the credits were temporary and the case was being investigated. The disclaimer forms it had sent her to

complete said that credits initially provided were temporary. Barclays said that its letters on 19, 21 and 23 February had also advised they were still investigating.

Barclays also pointed out that Mrs T's account was overdrawn and exceeded its agreed limits. It gave her contact details for its Financial Assistance team to discuss options. Mrs T had also said that she found it difficult to manage her mental health. Barclays said it had updated its systems to communicate better with her. It also gave her details of mental health and financial difficulty organisations.

Mrs T wasn't satisfied and contacted this service.

Our investigator didn't uphold Mrs T's complaint:

- She said that the disclaimer letter sent to Mrs T after she raised the claim on 17 February had said the credits were temporary. Barclays had also told Mrs T this when she'd raised the claim.
- Payments to the BNPL merchant had been debiting Mrs T's account since 2023. Mrs T had said she hadn't raised the claim before because Barclays hadn't told her about the payments debiting her account. But Mrs T had regularly logged in. She'd said no-one else had access to her online banking and no-one knew her phone security.
- Technical evidence showed that a transaction on 8 July 2024 had been authorised using Mrs T's genuine device, using a notification. And the IP address (a unique computer identifier) used to make the payment matched genuine payments on her account.
- The BNPL merchant had given Barclays evidence showing that it had Mrs T's email address, residential address, and the account was registered in Mrs T's maiden name.

Mrs T wasn't satisfied. She said she wanted to keep fighting and 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. So what decides the outcome here is whether it's more likely than not that Mrs T, or a third party fraudster unknown to her, carried out the disputed transactions.

The Payment Services Regulations 2017 also say that a customer must notify their bank as soon as practically possible about any disputes, and in any event this must not be later than 13 months after the debit date. Customers may be liable for transactions made after they ought reasonably to have reported any disputes. So I've also considered whether Mrs T reported the dispute within time, or if there was any valid reason why Mrs T didn't report them sooner.

Who is most likely to have authorised the disputed transactions?

There are a number of factors here.

First, I've seen the evidence which the BNPL merchant sent to Barclays in reply to its request for information. All the disputed payments went to this merchant, whose evidence shows where the money went to. They all went to an account in Mrs T's maiden name, as evidenced by a copy of her marriage certificate, which I've seen. The BNPL merchant provided evidence of Mrs T's correct address, date of birth, phone number and email address. Even if a fraudster had obtained Mrs T's Barclays card, they couldn't have obtained this information from the card. Nor would they have known her maiden name from her Barclays card, which was in her married name.

I can't see how a fraudster could have obtained all this information to set up the account with the BNPL merchant. Nor can I see why they'd have done so. I don't consider a fraudster would have sent payments to an account in Mrs T's name, because there would be no benefit to them in doing so.

The computer evidence shows that before each disputed transaction was made, Mrs T's BMB application was accessed via biometric Touch ID (either Fingerprint or Face ID). This could only be done by her registered fingerprint or face on the mobile device. And in order to complete the authorisation, the person making the payment had to enter Mrs T's five digit BMB passcode. Mrs T said she hadn't written down or shared this. A five digit number has 100,000 possible combinations. So it wasn't possible for anyone to have guessed it.

Mrs T also said that no-one else had access to her online banking, and no-one else knew her phone security details. So I can't see how a third party fraudster could have made the disputed payments. The technical evidence also shows that at least one of the disputed payments was authorised using Secure Customer Authentication (SCA). The 8 July 2024 payment was authenticated by a notification on Mrs T's BMB, saying she should log in and authenticate the payment. After she'd logged in, a screen showed a message for her to confirm or deny the payment. It was confirmed and then processed.

The disputed payments went on for a long time, from September 2021, before Mrs T reported them to Barclays in February 2025. Mrs T said she didn't contact Barclays earlier because it hadn't notified her about the payments. But the computer record of Mrs T's online logins, which I've seen, shows that she logged in regularly throughout the period of the disputed payments. So she'd have seen the many payments, as well as the reduced balance. If she hadn't made the payments herself, I'd have expected her to report the payments to Barclays much sooner.

I've explained, in the section above about the Regulations, that customers have to raise complaints without delay. Here, Barclays refused a refund because its investigation indicated that Mrs T had made the disputed transactions herself, rather than because she'd brought some of them too late. But for completeness I've also looked at the timing of when Mrs T raised the issue. I can't see why Mrs T waited until February 2025 to report transactions going back to September 2023. I agree with Barclays that she should have done so, and I find that the logins show she'd have known about the transactions.

Taking all these factors into account, I consider it's most likely that Mrs T made the disputed transactions herself. So Barclays doesn't have to refund her.

Temporary credits

I've also considered Mrs T's complaint that she believed the temporary credit to her account was permanent.

I've seen the standard template wording which I accept was read out to Mrs T when she raised the dispute. This said " *So a temporary refund for the disputed transactions will credit*

your account by the end of the next working day. Your case will now be processed. But if we require any additional information, we will contact you. Please be aware - should your claim be unsuccessful, we will remove any temporary credit given to you."

This was also set out in the letter which Barclays sent to Mrs T the same day, 17 February. This mentioned the possibility of Mrs T being found fully responsible for the transactions and said that if so *"If you initially received a temporary credit for these disputed payments we will debit this back from your account...If you do not have the funds, this could cause your account to go overdrawn with respective charges and interest applied in line with our published tariff."*

When Barclays did find Mrs T liable on 6 March, it repeated this and gave her notice about when the temporary credits would be debited *"It also means you need to return the temporary refund ... we gave you. We'll take it automatically from your account within 14 days of the date of this letter. Please make sure you have enough money in your account to cover it."* Barclays re-debited the temporary credits on 20 and 21 March, which tallies with the 14 day notice given.

So I find that Mrs T didn't have any reason to believe the temporary credits were permanent. Barclays told her they were temporary, and that if her claim were to be unsuccessful they'd re-debit them. When it found her liable, it also gave her 14 days' notice of the re-debit which I find was fair and reasonable.

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 Mrs T to accept or reject my decision before 29 August 2025.

Belinda Knight
Ombudsman