DRN-5640350

The complaint

Miss W complains that Barclays Bank UK PLC trading as Barclaycard ("Barclaycard") mishandled her dispute about goods she had ordered online.

What happened

In November 2024 Miss W ordered goods online costing £263, using her Barclaycard, but when they didn't arrive she contacted Barclaycard to raise a dispute. It made a chargeback and credited her account, but the goods then arrived. However, Miss W told the bank they were not of an acceptable quality. She says she was told no further information was needed and the case was in pre-arbitration. Barclaycard then asked for further information. The merchant pushed back against the chargeback, and it was unsuccessful.

However, Barclaycard considered if the claim fell within section 75 Consumer Credit Act 1974 ("s.75"). It concluded Miss W had a valid claim. Her credit card statements show the following transactions:

- 11 November 2024 debit £263
- 2 December 2024 credit £263
- 7 January 2025 credit £263
- 10 January 2025 debit £263

This shows that she has not paid for the faulty goods. However, there was some confusion in the course of calls with the bank and she believed she had been told a credit of £263 was a goodwill gesture. Miss W complained and Barclaycard accepted its communications throughout the entirety of the dispute had been poor. It has made three payments of compensation. It paid £50 on 7 January, £100 on 22 January and £200 in March 2025.

After the dispute had been brought to this service Barclays card suggested it settle the matter with a payment of £165, but this was before it made the £200 payment. Miss W believed the £200 compensation related to a separate complaint and so rejected this offer.

Our investigator considered the complaint in the round and concluded the compensation paid by Barclaycard amounting to £350 was fair, but Miss W didn't agree.

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.

Having considered the evidence provided by both parties I do not consider Barclaycard need do more. I will explain why.

Let me first address the chargeback and s. 75 claims before addressing the confusion which arose from the initial claim.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants. It allows customers to ask for a transaction to be refunded in a number of situations, such as where the goods or services are defective.

There's no obligation for a card issuer to raise a chargeback when a consumer asks for one. And chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by merchants. It's important to note that chargebacks are decided based on the card scheme's rules and not the relative merits of the cardholder/merchant dispute. So, it's not for Barclaycard – or me – to make a finding about the merits of Mis W's dispute with the online retailer.

Barclaycard's role is to raise the appropriate chargeback and consider whether any filed defence by the merchant complies with the relevant chargeback rules.

It has one opportunity to raise a chargeback and it did so on the grounds the goods had not been received. However, the goods did arrive and so the chargeback failed. It did not have the ability to raise a second chargeback on the same transaction and so I cannot say it did anything wrong in its handling of Miss W's claim.

Barclaycard went on to consider s.75. This legislation offers protection to customers who use certain types of credit to make purchases of goods or services. Under s. 75 the consumer has an equal right to claim against the provider of the credit or the retailer providing the goods or services, if there has been a misrepresentation or breach of contract on the supplier's part. For s. 75 to apply, the law effectively says that there has to be a

: • Debtor-creditor-supplier chain to an agreement and

• A clear breach of contract or misrepresentation by the supplier in the chain.

It concluded Miss W had a valid claim and so the end result is that her payment has been returned to her. I consider the right outcome has been reached by Barclaycard, but along the way there has been a significant amount of confusion.

Miss W has explained she has a learning difficulty and prefers responses in writing, but much of the handling of the dispute was dealt by phone. I am satisfied that on a number of occasions call handlers did not explain what was happening with the clarity that was needed. As a result, Miss W's expectations were raised inappropriately. Our investigator has set out the instances when this occurred and I won't repeat them here. However, the more recent offer of £165 is an example of the confusion that seems to have occurred within Barclaycard.

During the course of this matter while her complaint was being considered by this service Miss W contacted Barclaycard and raised what it treated as a separate complaint. She was paid £200. However, this seems not have been linked to the existing complaint which was, in essence about the same events and so a separate offer of £165 was made. Only when Barclaycard realised it had paid her £200 did it withdraw the £165 offer.

I can appreciate the confusion experienced by Miss W and her expectation that the compensation she would receive was greater than £350. However, my role is to consider what is fair and reasonable in the light of the facts of the complaint. While Miss W feels she was told there was a separate complaint I am looking at the totality of the events including the confusion over the withdrawn offer of £165.

Firstly, I must make it clear that Miss W's account statements show that she had two debits and two credits for £263 so she has not laid out any expenditure on the faulty goods. And for the confusion she has experienced with Barclaycard's misleading messaging she has received £350. I consider this to be fair and reasonable and possibly a larger sum than I would have awarded. So I do not consider any further compensation or action by Barclays is required.

Putting things right

Barclaycard should pay Miss W compensation of £350 in total which I believe it has already done, but if not, it should ensure payment is made.

My final decision

My final decision is that Barclays Bank UK PLC trading as Barclaycard need take no further action subject to it having paid Miss W £350 compensation.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss W to accept or reject my decision before 23 September 2025.

Ivor Graham
Ombudsman