

The complaint

Mr O has complained about the way Barclays Bank UK PLC (Barclaycard) handled some unauthorised activity on his account.

What happened

Mr O has explained that in May 2024, an unauthorised Apple Pay token was set up on his Barclaycard account. He reported this to Barclaycard, but they still allowed the token to be used for some payments. He was then promised a refund, but this didn't arrive, and he was given conflicting information about a form. There was a delay in getting the payments refunded and he had to chase Barclaycard. He complained, and told Barclaycard he was about to go on holiday, then they closed his complaint while he was away.

Barclaycard accepted they'd got things wrong and paid Mr O £350 compensation.

In September 2024, our Investigator looked into things independently and upheld the complaint. They recommended that Barclaycard pay Mr O £500 compensation in view of the considerable stress caused, and that they remove any interest and charges or adverse information caused by the payments in dispute.

Barclaycard paid the compensation, but didn't rework the interest and charges. We chased Barclaycard on this over the following months. Mr O asked for additional compensation in view of this further delay. As the matter remains unresolved, the complaint's been passed to me to decide.

I sent Mr O and Barclaycard a provisional decision on 1 July 2025, to explain why I thought the complaint should be upheld. In that decision, I said:

There doesn't seem to be any dispute about what Barclaycard got wrong here. Of course, it was the fraudsters who committed the fraud and who are primarily responsible for the stress they caused there. But it seems that Barclaycard added considerable stress onto this in failing to deal with the unauthorised token when Mr O first reported it, in their delays and miscommunications in refunding the resulting payments, and in affecting his holiday.

I'm glad to hear that the disputed payments were refunded last year, and that Barclaycard have paid the compensation in line with what our Investigator recommended. However, the issue of the interest and charges involved remains unresolved.

When things go wrong, we try to put it right by placing the account in the financial position it would've been in had the error not happened. In this case, had the disputed payments not been allowed out, then not only would they not have added to the balance, they would also not have attracted interest or fees either. So here, putting things right means not only refunding the disputed payments – as Barclaycard have – but also refunding any interest and charges they caused. Barclaycard haven't shown that that was done. Mr O says it hasn't been. So as far as I can see, the interest and charges still need to be dealt with.

It's been about 10 months since our Investigator recommended that Barclaycard rectify the interest and charges. So it seems Barclaycard have caused a delay which is considerable and not acceptable. In that time, Mr O has had to repeatedly chase up the matter, and has felt understandably upset that the fraud incident still hasn't been fully resolved. I can appreciate he'd want to put the matter behind him.

While I appreciate that the interest involved doesn't seem to be a very large amount, it seems that this additional delay in resolving the fraud has caused Mr O some further acute stress, and he's had to put in effort to try to sort it out. So taking into account the impact that Barclaycard's further delays had on Mr O, along with the guidelines for compensation which I must be consistent with, I find that £100 additional compensation is fair.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 8 July 2025. Mr O didn't add anything further. I'll talk about Barclaycard's reply below.

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.

Barclaycard said they thought they'd already resolved this case and were unaware of any request to review interest and fees. However, I can see that our Investigator specified this in his recommendations, contacted Barclaycard about this a number of times, and ultimately informed Barclaycard that the case was going to decision because the issue remained unresolved. As set out in the provisional decision, it's also our normal approach to remove related interest and fees when refunding unauthorised transactions, to put the account in the financial position it would've been in had the erroneous payments not happened.

Mr O has consistently affirmed that the interest and fees have not been sorted, whereas Barclaycard have not confirmed nor shown that they have been – nor even responded at all at points – even when the case was sent to decision. Even now, they still haven't shown that they properly reworked the account to remove any interest and charges caused by the disputed payments. As such, I can only reasonably conclude that it most likely hasn't been done. Our rules allow me to draw negative inferences from a party's failure or refusal to provide the information we require of them.

Other than that reply, neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

I appreciate that Barclaycard might have wanted further time to reply. But given the delay they've already caused, given they've not been forthcoming on this issue, and given the late stage we're at, I think the best thing is for me to issue this final decision without delay. If Mr O accepts this final decision, it will become legally binding on Barclaycard, meaning he can pursue enforcement action against them if they don't carry out the redress within 28 days of the date our service notifies them of his acceptance. With that said, Barclaycard are a well-established firm who are aware of the need to comply with final decisions, and who are used to doing so, so I would expect that if Mr O accepts the decision then they'll most likely carry out the redress within the 28 days.

Putting things right

I direct Barclays Bank UK PLC to do the following:

- Rework the account to remove any interest and charges caused by the disputed payments. This includes any compounded amounts which were carried over into later months. Barclaycard should show us both that they've done this and how they calculated the refund.
- If, after reworking the account, it emerges that Mr O has made overpayments to pay for the disputed transactions (i.e. if he repaid more than the balance which should've been outstanding), Barclaycard should refund those overpayments. They should also pay Mr O 8% simple interest on the overpayments, payable from the date each overpayment was made until the date it's returned. If Barclaycard considers that they're required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, they should tell Mr O how much tax they've taken off. They should also give Mr O a tax deduction certificate if he asks for one. Mr O may be able to reclaim that tax from HMRC if he doesn't normally pay tax.
- Remove any adverse information they recorded on Mr O's credit file due to the disputed payments, if any such information exists.
- Pay Mr O an additional £100 compensation for the further trouble and upset they caused. This is in addition to the compensation already paid.

My final decision

I uphold Mr O's complaint and direct Barclays Bank UK PLC to put things right in the way I set out above.

This final decision marks the end of our service's consideration of the case.

If Mr O accepts the final decision, Barclays Bank UK PLC must carry out the redress within 28 days of the date our service notifies them of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 6 August 2025.

Adam Charles
Ombudsman

