

The complaint

N has complained about how Barclays Bank Plc trading as Barclaycard (Barclaycard) handled a refund claim they made.

What happened

As all parties are familiar with this complaint, I'll only summarise the key background where necessary within my findings 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.

I've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Barclaycard aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their role as a provider of financial services. In doing so I note that because N paid for this transaction using a Barclaycard credit card, a chargeback could possibly help them.

I should add that a Consumer Credit Act 1974 (CCA) Section 75 (S75) claim wouldn't be possible here as this only applies where the debtor under the credit agreement is an individual. An LLP is a separate legal entity and is treated as a body corporate rather than a natural person. As the card transactions were made by the LLP, the statutory requirements for S75 aren't met here.

This means the card issuer doesn't have joint and several liability for the supplier's actions under S75 in those circumstances. I therefore don't think Barclaycard did anything wrong here in not considering a S75 claim and so in deciding what is fair and reasonable I've focused on how they handled the chargeback claim.

N used a Barclaycard commercial credit card to purchase wardrobes from a supplier I shall call 'T' towards the end of 2024 with two payments of £5000.00 each. However N was dissatisfied with the goods and felt they weren't completed as required. They therefore contacted Barclaycard to raise a chargeback claim against T.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the

particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Barclaycard acted fairly in not progressing the claim.

The relevant chargeback code here would be '*Goods or Services Were Either Not as Described or Defective*'. I've therefore considered the evidence available with regard to this chargeback rule and whether Barclaycard acted fairly when they declined B's claim following the merchant's objection.

The chargeback conditions required under this Mastercard code says the cardholder must be engaged in the transaction and the goods or services were not as described or defective. While I see that N believes they have evidenced the latter, I can't agree that the requirements for the first condition were met.

I say this because the account belonged to N and they have confirmed the goods were for personal purposes and not for the business. Therefore the required chargeback condition for the cardholder to engage in the transaction may not have been met as it was on a personal capacity and not on behalf of N, meaning the loss was not suffered by N in its business capacity.

While Barclaycard's reasoning was different, I've considered whether the claim would've succeeded or not. And I don't think it would've as N didn't engage in the transaction as required.

However even if I'm wrong about this, I still don't think there's sufficient evidence to say the claim would've succeeded had Barclaycard pursued it further in any event. I say this because I've considered the other relevant chargeback rules under this reason code and these say:

Chargeback Condition. *The cardholder contacted the issuer claiming all of the following:*

- *The cardholder engaged in the transaction.*
- *The cardholder contacted the merchant, or attempted to contact the merchant, to resolve the dispute.*
- *The merchant refused to adjust the price, repair, or replace the goods or other things of value, or issue a credit.*
- *For disputes involving goods: The cardholder returned the goods or informed the merchant the goods were available for pickup.*

This means that for a valid chargeback claim, 'all' of the above would need to be satisfied. Apart from the first point which was discussed above, Barclaycard did also refer N back to T to see if they could resolve the issue directly. T provided chat communications from them which they say evidenced a revised agreement in March 2025 to address the concerns N had, by providing a list of items as requested. They said these would be ready for collection that month or could be delivered in May 2025.

N's submissions to this service confirmed this agreement when they said:

"Due to the chargeback applied, merchant decided to get in touch and met us 15th March and verbally agreed to following: chargeback will remain, Customer (us) will pay merchant some money to buy materials to finish the items one by one and funds will be released to merchant per item upon completion. An email was sent to Barclaycard and merchant was ccd on 17th march".

With that in mind, T did attempt to address the matter although N stated that only half the required materials were then provided in April 2025. I also note there is insufficient evidence that T were subsequently told the goods were available for pickup to resolve the situation.

Mastercard's rules also say that appropriate supporting documentation also needed to be provided to enable all parties to understand the dispute. This could then include the original contract or work order clearly showing what was agreed and paid for.

In this case a contract hasn't been provided for the original agreement, nor for the alleged new agreement in March 2025. T provided photos of the completed wardrobes to Barclaycard and stated that labour and materials over the value of £10,000 had been supplied to N and that the claim was incorrect.

To summarise, chargeback claims are suited for more straightforward cases and are generally not appropriate for situations such as these where there are issues with furniture manufacture and there is no independent information available on any alleged defects or issues with the work.

In addition and more key is the omission of an actual contract to show what N agreed with T regarding the provision of the wardrobes in the first instance.

Barclaycard did request this from N as noted in their email to them on 7 April 2025 but N said there hadn't been any documentation from T. N provided a message from 20 March 2025 listing various furniture items such as shelves and drawers but there isn't any further contractual information or an invoice to show the actual agreement between both parties.

I know this'll be frustrating for N but the chargeback rules do require contractual documentation in the first instance to determine if it hasn't been complied with, i.e. if the goods or services aren't as described or defective. If such an agreement isn't available, there likely wouldn't then be a reasonable prospect of success if the claim was progressed. And, as stated, there isn't any evidence that the items were also made ready for collection either to attain a refund.

I know N has said that wardrobes shown in T's submissions were partially complete. In the absence of any contractual specifications, it isn't possible to determine whether what was provided fell short of what was agreed.

In summary, I can't say Barclaycard did anything wrong in declining the chargeback claim following T's submissions, for these reasons.

I also note N has raised concerns about the way Barclaycard handled his subsequent complaint following the claim outcome. But, like the investigator, I don't think this is something that this Service can consider. There are limits to the types of complaint our Service can consider. These limits are set for us by the FCA and apply to activities that are regulated by the FCA.

The FCA's Dispute Resolution (DISP) rules outline what activities fall within this Service's jurisdiction (DISP 2.3). Complaint handling is not one of the activities listed as a regulated activity. Therefore, we cannot consider complaints about the way a business has handled or responded to a complaint.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 3 February 2026.

Viral Patel
Ombudsman