

The complaint

Mrs F complained because Barclays Bank UK PLC refused to refund her for transactions she said she hadn't authorised.

What happened

Overnight on 29th to 30th October 2024, there were transactions on Mrs F's account with an online retailer which she disputed. She changed her password and email address for her account with the online retailer. She contacted Barclays to dispute the transactions. She raised the first of these, for £154.33 on 30 October. On 5 November she made a further claim for nine more transactions totalling £1,364.16. Barclays' systems wrote off two of these, for £154.49 and £150.25. The disputed balance was therefore seven transactions for a total of £1,213.75.

Barclays gave Mrs F a temporary credit while it investigated.

Meanwhile Mrs F was also in regular contact with the online retailer. She also received the goods for the transactions, which she said included among other things vitamin pills, lavender bags, placemats and pens. The online retailer told Mrs F to keep the items as it wasn't possible to return them.

Barclays raised fraud chargebacks to the online retailer for the disputed items. The online retailer disputed the chargebacks, saying there was no evidence of fraud. As part of this, it confirmed Mrs F's full name, address and email address. So Barclays refused to refund Mrs F.

Mrs F complained.

On 24 January, Barclays sent Mrs F its final response to her complaint. It said that as part of its investigation, it had raised chargebacks. It explained that the chargeback scheme is operated by the card scheme, and Barclays was a card issuer using the card scheme. So Barclays was bound by the rules and regulations set by the card scheme.

Barclays' final response said that the online retailer had disputed the chargebacks, and had confirmed Mrs F's full name, address and email address. This information isn't printed on the card, so it could only have been provided by Mrs F, or someone known to her. The online retailer had also said that the goods had been delivered to Mrs F's correct address.

Mrs F wasn't satisfied and contacted this service.

She said that as well as the Barclays transactions, there had been disputed transactions with the same online retailer with her account with another bank – and that bank had refunded her. Mrs F said that her online account had been accessed in the middle of the night at irregular intervals from a different location using proxy servers, and the orders placed didn't reflect the real value of the items she'd received. Mrs F said that this is a common type of fraud well documented online. She said the online retailer wasn't disputing the nature of

what had happened, with items purchased from fake stores. Mrs F said she was expecting Barclays to acknowledge the fraudulent nature of the transactions and refund her.

Our investigator didn't uphold Mrs F's complaint. She said on balance she found the transactions had been authorised by Mrs F.

The investigator had looked at the chargeback information which the merchant provided to the online retailer. The billing address was a business address, and the shipping address was Mrs F's personal address. Mrs F did receive the purchased items.

The information from the merchant showed that both the billing address and shipping address had been used for many undisputed transactions in the past. The investigator said she couldn't explain why a third party would order items and have them delivered to Mrs F's address.

While Mrs F had shown that the transactions didn't appear on her order history, the online retailer did have a record of the sales, as it had been able to provide an invoice for the purchases. The investigator said she sympathised with Mrs F's situation but understood that the refund timescale for the online retailer had now passed. Barclays had provided evidence to show that the transactions had been authorised, and there was no evidence of any third party activity. So the investigator couldn't see how any third party could have authorised the transactions.

Mrs F didn't agree. She sent a long and detailed email and photos of information on the online retailer's website. In summary, Mrs F said:

- She was staggered that the investigator had said she couldn't see why a third party would order items and have them sent to Mrs F's address. Mrs F said that the value of the fraud lay in an inflated, unrealistic value of the goods, which were actually really cheap items. She said the fraudster manufactures a seller account and benefits from putting many temporary "brand" listings, using a dropshipping method to deliver the goods. Mrs F said the investigator was disputing the fact that a plastic tablecloth had been charged to her for £150;
- Mrs F said that all the higher price disputed items were no longer listed on the online retailer, or elsewhere;
- She sent links to online articles about this type of fraud;
- Mrs F disagreed with the investigator's statement that the device for the disputed transaction was the same as used for one of her genuine transactions. Mrs F said the online retailer had ignored all her requests for online activity. She asked for any such information to be sent to her;
- She said that she took it that the items had been purchased through a proxy server, using a version of the service from a different country – so they wouldn't be visible to someone in the UK. Mrs F said the transactions were authorised by the person compromising her account with the online retailer, so they wouldn't have needed further authorisation at a financial institution level, which she said was obvious.

Mrs F 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.

General points

As I've set out above, Mrs F has raised multiple points in her submissions to this service. I've understood all of those and considered all she's said and sent us, but in reaching my decision here I've focused on what I think is vital to my conclusions.

I'll also clarify the situation about the other bank, which Mrs F said refunded her for the smaller amount in dispute with that bank. As the investigator explained to Mrs F in her View, the investigator contacted the other bank, and all it could tell her was that the chargeback had been successful. But I can't take the other bank's decision into account here. That's because what I'm considering is whether Barclays' actions in refusing Mrs F were fair and reasonable in all the circumstances of this complaint.

I recognise that there are, sadly, many types of fraud. I don't deny that sending unsolicited goods is sometimes done by fraudsters. But what I have to decide is whether that's most likely to be what happened here.

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 F, or a third party fraudster unknown to her, carried out the disputed transactions.

I note that Barclays used a chargeback here. Some financial organisations choose to use chargebacks for disputed transactions. And it's accurate that chargebacks run according to rules set out by the card scheme, not by the payment service provider (here, Barclays). But chargebacks aren't a full substitute for all of a payment services provider's responsibilities under the Payment Services Regulations 2017. In other words, what matters here is still the key issue of whether or not Mrs F authorised the disputed payments.

Who is most likely to have authorised the disputed transactions?

In deciding who is most likely to have authorised the disputed transactions, the technical evidence is important, and I've looked carefully at it. I recognise that Mrs F says that the investigator referred to some evidence which hadn't been provided to Mrs F. But the bank's technical computer evidence is confidential.

I've seen evidence which shows an undisputed transaction, using the online retailer, to the same merchant which wasn't disputed by Mrs F. There was an undisputed transaction for £12.95 on 29 October 2024, with the details, for the device and the token, exactly matching those for one of the disputed transactions for £150.41 on 30 October 2024.

Because of the way the transactions were processed, Barclays says it didn't require any further authorisation from Mrs F, and I accept that this was the case here. But importantly, the device for the disputed transaction is the same as that used for the genuine transaction. So it's most likely that Mrs F's genuine device was used for all the purchases. I can't see how any third party fraudster could have obtained Mrs F's genuine device.

Mrs F's suggestion about authorisation is that *'the transactions were somehow obtained by a higher level of authority at [online retailer] as I am taking they have been purchased through a proxy server, using a version of the service from a different country.'* I'm not persuaded by this argument, in view of the other evidence.

For these reasons, I consider it's more likely than not that the disputed transactions were authorised. I recognise that it may be that the goods Mrs F received weren't to the quality or

value that she'd expected, and if so, I sympathise with her. But that's something which Mrs F would have had to take up with the merchant, within the set timescales, not with Barclays. Barclays' responsibility for any refund would depend on the authorisation evidence. That indicates that it was most likely that the payments hadn't been authorised by a third party fraudster. This service can't consider disputes against the merchant, or the online retailer. So I don't uphold Mrs F's complaint against Barclays, which doesn't have to refund her.

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 F to accept or reject my decision before 17 December 2025.

Belinda Knight
Ombudsman