

complaint

Mr H complains that Barclays Bank Plc has refused to refund some disputed transactions. Mr H says he is the victim of fraud and he wants Barclays to refund the money.

background

Mr H says he contacted Barclays because of some transactions on his account that he didn't authorise. Mr H told us:

- there were four transactions in January 2017 for more than £20,000, all to an online gambling company – one that he'd never used.
- he complained to Barclays and it refunded the disputed transactions to his account, but that several weeks later the bank took the money back out of his account.
- he's never had any dealings with this online gambling company; he's been the victim of identity fraud – *"someone has compromised my debit card and personal details...and decided to empty my account of my entire life savings"*.

Barclays rejected Mr H's complaint. It says it sent Mr H a text message when the transactions were taking place asking him to confirm whether or not they were genuine – and he replied confirming that they were. And it says that when it approached the online merchant – it was told that the payments were genuine - the merchant explained that the level of personal information needed to complete the transactions could only have come from Mr H. And this was information that wouldn't have been held with his card. So taking this into account, Barclays is holding Mr H liable for the disputed transactions.

Our adjudicator looked at this complaint and said she thought it shouldn't be upheld. She thought it was reasonable for Barclays to hold Mr H liable for the transactions that he's disputing.

Mr H disagreed so the complaint comes to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand how strongly Mr H feels about this matter because the disputed transactions represent a significant amount of money to him. For the purposes of this decision, I don't need to determine who actually made the disputed transactions. Rather, my role is to determine whether Barclays is entitled to hold Mr H responsible for them. Where there is a dispute about what happened, I've based my decision on what I consider more likely to have happened, in the light of the available evidence. Having considered the evidence, I'm afraid I have to tell Mr H that I think the adjudicator has reached entirely the right outcome here. To be honest, there is very little I can add to what he's already told Mr H and I think the adjudicator has set out the position very clearly.

First of all I've had to deal with the fact that there appear to be a number of inconsistencies in Mr H's testimony since he first raised his complaint with the bank.

- He told this service that “*someone has...decided to empty my account of my entire life savings*”. But the bank statements I’ve seen show that the credit balance on his account was actually the result of a loan he took out. And that loan, for nearly £25,000, was credited to his bank account the day before the disputed transactions took place.
- Barclays says it asked Mr H if he used other online gambling sites and he told them he didn’t. But our enquiries showed that Mr H did use another gambling merchant and the statements we’ve seen list 22 transactions with a value of £19,000 in January 2017.
- When Mr H first contacted Barclays about the four transactions it asked him about the text the bank had sent him to confirm whether the transactions were genuine or not. The script I’ve seen indicates that he initially told the bank he had received the text message and that he’d confirmed ‘NO’ – the payments weren’t genuine.

Later, the script suggests he told Barclays he hadn’t replied to any message. He was on his own and had his phone with him.

Later still, the bank says Mr H told it he had accidentally replied to the text message in the belief that it related to transactions with another merchant.

- Mr H told us that the personal details held by the online gambling merchant weren’t correct – the email address it held was slightly different to his actual email address. And he didn’t recognise it. But our investigations showed that the *alternate* email address was the same as the one held by another online gambling merchant – the one through whom the £19,000 of *undisputed* transactions had been processed.

As I’ve already explained, I need to make my decision based on what I think is *more likely* to have happened. And I’ve highlighted these inconsistencies so that Mr H understands why I’ve placed greater importance on some of the evidence and testimony than on others.

First of all I’ve looked at what Barclays did once Mr H contacted it and I’m satisfied the bank did what it should’ve done – it started the *chargeback* process. And it cancelled the payments from Mr H’s account while it investigated the transaction with the third party. This meant that Mr H wasn’t out of pocket whilst the investigation was taking place.

Chargeback is a process under card scheme operating rules which allows a card issuer – in this case Barclays – to reclaim debit card payments made by its customer from the bank of the person who received the payment.

We generally consider that, as a matter of good practice, the card issuer should attempt a chargeback if the card holder has challenged a transaction *and* - taking into account relevant card scheme rules – it looks as if there’s a fair chance that a chargeback request might succeed. But just because the customer makes a request it doesn’t mean that the chargeback will necessarily succeed. This is because the rules lay down strict conditions which must be satisfied for a chargeback claim to succeed.

But the third party online gambling merchant provided evidence that the payments were genuine. The payments were linked to a gambling account in his name and were registered with Mr H’s contact information. And although the email address on file was very slightly

different to Mr H's principal email address, our additional enquiries allow me to conclude that the alternate email address also belongs to Mr H.

Furthermore, the gambling merchant confirms that, in order to comply with *anti-money laundering* requirements, any winnings from the gambling activity would've been paid back to the bank account where the deposits originated – Mr H's own account. So it's difficult to see how anyone other than Mr H could've benefitted from any winnings. And for this reason, I'm simply not persuaded that these transactions were likely made by a fraudster.

So I don't think Barclays did anything wrong when it held Mr H liable for these transactions and it would be unfair for me to ask it to reimburse the money.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 December 2017.

Andrew Macnamara
ombudsman