

The complaint

E, a limited company complains about the way that Barclays Bank UK PLC (Barclays) handled its chargeback claim.

E is represented in its complaint by a director, Mr K.

What happened

In July 2022, E bought a car through an online auction website using its Barclays Visa debit card. E was unhappy with the quality of the car and took its concerns to the merchant.

As E couldn't resolve matters with the merchant, it asked Barclays to initiate a chargeback on 25 November 2022. Barclays initially said that E had started the chargeback process in time before saying that it had made the claim too late. Barclays then told E that as it had bought the car at auction, a chargeback claim would not have been successful and suggested that E contact the seller. Barclays offered E £100 to apologise for the misinformation.

Our investigator didn't recommend that E's complaint be upheld. She explained that under Visa's rules – a chargeback must be started within 120 days of the transaction date. As E initiated the chargeback 137 days after buying the car, the relevant time limit had expired. The investigator also said it seemed unlikely that the chargeback would have been successful due to the terms of the auction website.

Mr K disagrees with the investigation outcome. He says Barclays initially accepted E was eligible to make the chargeback claim and provided a reference number. After Barclays told Mr K that the chargeback was made too late, he says the adviser told him that if made in time – Barclays would have considered investigating and making refunds.

Mr K thinks that if Barclays had given him the correct information, he would have been able to minimise E's losses. Instead, Mr K says he ended up disposing of the car for much less than it cost.

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 appreciate that I've summarised E's complaint in less detail than the parties and that I've done so using my own words. The rules that govern our service allow me to do so but this doesn't mean I've not considered everything that both parties have given to us.

I'm sorry to disappoint E but like the investigator, I don't think Barclays needs to do or offer more than it already has. It's unfortunate that Barclays told E that it had started the process in time. As Mr K now knows – this wasn't correct and E's chargeback request was made out of time. But just because Barclays initially logged E's chargeback claim, doesn't mean Barclays was obliged to follow through once it realised its mistake.

Even if E had requested the chargeback within 120 days, I'm not persuaded that the claim against the auction website would have been successful. The terms of the auction website say that it is a vehicle listing and information service and that it accepts no responsibility for any arising defects or discrepancies. But even if I didn't think this, I can't criticise Barclays for not proceeding with the chargeback process as the relevant time limit had expired.

I agree that Barclays misinformed Mr K when he made the chargeback request on behalf of E. For this failing, I consider Barclays' payment of £100 was fair. It reflects the inconvenience caused to E when Mr K spoke to Barclays about the chargeback and when there was then a delay – which I assume diverted time away from running the business of E.

My final decision

My final decision is that I don't uphold this complaint in the sense that Barclays's compensation payment was fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 4 September 2023.

Gemma Bowen
Ombudsman