

The complaint

Mr J complains Barclays Bank UK Plc acted unfairly when it held him liable for a disputed transaction.

What happened

Mr J has a current account with Barclays and a debit card.

Mr J says he noticed a payment for £193.12 had gone out of his account that he didn't recognise. He says the payment caused his account to go over his overdraft limit. So, he complained to Barclays saying that it shouldn't have let the payment through and that it should refund him and pay £20 in compensation for the inconvenience caused.

Barclays looked into Mr J's complaint and said that it wouldn't be able to raise a chargeback because of the length of time that had passed and given everything it could see it believed the transaction was a genuine transaction rather than a fraudulent one. Mr J was unhappy with Barclays' response and complained to us. He said that he'd noticed other payments that he didn't recognise but that he wanted to speak to Barclays about these payments and so hadn't included them in his complaint.

One of our investigators looked into Mr J's complaint and said that Barclays hadn't sent sufficient evidence to establish that the transaction had been authorised by Mr J and that it should, therefore, refund the payment. They recommended that Barclays refund the disputed transaction along with any interest and penalties charged on it and pay £100 in compensation. Barclays disagreed saying that Mr J hadn't disputed the transaction at the time and the delay meant, for example, that it hadn't been able to check all of the circumstances under which it was authenticated and hadn't been able to raise a chargeback. Barclays also said that the merchant was located in a country Mr J and his family visited and reside in, increasing the likelihood that it was a genuine transaction. Barclays asked for the complaint to be referred to an ombudsman. So, I was asked to look into this complaint.

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.

Last month I issued a provisional decision. In that provisional decision [some of the details of which I've removed as this decision will be published], I said the following:

"Barclays has said that Mr J didn't dispute this particular transaction for several months and that by the time he did it could no longer carry out a chargeback or check all of the circumstances in which the transaction was authenticated. Mr J, on the other hand, says that he reported it straightaway. A delay in itself doesn't mean an unauthorised transaction becomes an authorised transaction – under the Payment Service Regulations it's up to the payment service provider to prove a payment transaction has been authenticated where a payment service user denies having authorised an executed payment transaction. But a delay can be a relevant consideration in cases,

and, in this particular case, it feels an important factor. So, I've considered whether or not there was a delay.

Having looked at Mr J's bank statements, amongst other things, I'm satisfied that the payment he's complaining about took place on [removed] December 2021. He contacted Barclays on [removed] December 2021 to say that he'd been the victim of a scam and that he asked Barclays to send him statements so that he could check the exact dates and amounts. His card was cancelled and a new one issued, and he was given advice about scams and how to avoid them. His statements suggest that he disputed three payments when he contacted Barclays – totalling just over £400 – and temporary refunds for just over £400 were applied to his account on [removed] December 2021. Those refunds didn't include a refund for the £193.12 he's now complaining about. Mr J called Barclays a few days later to dispute a payment from June 2021 and other payments which were also temporarily refunded. Again, those refunds didn't include a refund for the £193.12 he's now complaining about. Mr J didn't dispute this payment until [removed] March 2022 which is when a temporary refund was applied to his account. In short, I'm satisfied that Mr J didn't dispute this payment until more than three months after it had been made, that he'd received statements in the meantime that he'd asked for so he could check the dates and amounts of other payments he wanted to dispute and that he disputed a number of payments in the meantime.

Mr J's account didn't go over its overdraft limit when the £193.12 payment originally went out on [removed] December 2021, and the temporary refund on [removed] March 2022 brought his account back down below his overdraft limit. The temporary refund was reversed on [removed] May 2022 at which point Mr J was already over his overdraft limit.

I agree with Barclays that this payment looks like it was a genuine one – it was to a merchant in a country Mr J and his family visited and resided in and was also a one-off. I agree too that if it had been a fraudulent payment, it's likely that Mr J would have reported it at the time as he contacted Barclays shortly afterwards to say he'd been the victim of a scam and reported several disputed transactions at the time having also asked to be re-sent his statements so he could check for fraudulent payments. I can also see that Barclays checked, for example, the IP address that was used for the transaction at the time and this showed it matched addresses Mr J had previously used and that it could see he'd logged into his online banking multiple times since then.

Given everything I've said above, I don't think it was unfair or unreasonable of Barclays to say in this particular case that it was holding Mr J liable for this transaction. So, I'm not minded to uphold this complaint."

Both parties were invited to comment on my provisional decision. Neither did. In the circumstances, I've reconsidered all the available evidence and arguments and, having done so, remain of the view that this complaint shouldn't be upheld.

My final decision

My final decision is that I'm not upholding this complaint.

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

Nicolas Atkinson
Ombudsman