

The complaint

Ms K complained because Barclays Bank UK PLC refused to refund her for a transaction which she said she hadn't made.

What happened

On 19 January 2022, a £565.00 payment was debited to Ms K's Barclays account, and it was re-credited the same day. Barclays later said it hadn't done this, so it was probably refunded by, or bounced from, the recipient merchant.

On 24 January, an £833.00 payment was debited to Ms K's Barclays account. This was to the same merchant.

On 8 February, Ms K rang Barclays to say she hadn't made the payment. Barclays gave her a temporary credit while it investigated, and sent her a form to complete. Barclays's letter enclosing the form said that Ms K's card had been cancelled. It went on to say: *"The completed documents must be received by us within the next 10 working days. If you do not return the completed forms within this time, we will assume that you take full responsibility for the disputed transaction(s). This will mean that, if you initially received a temporary credit for these disputed payments we will debit this back from your account or travel wallet."*

Ms K says that she didn't receive this letter, and says that Barclays didn't tell her that the credit was temporary. As Barclays didn't receive the form back from Ms K, it re-debited the temporary credit. Ms K complained. There were multiple issues with Ms K not receiving the forms which Barclays emailed, and Barclays not receiving Ms K's emailed returned forms. This meant that the £833 was credited and debited multiple times until Barclays received the completed form.

In July, Barclays completed its investigation and notified Ms K that it held her liable. In Barclays' final response letter to Ms K on 1 August, it said that having reviewed all the information available, it was satisfied that its decision to hold her liable for the disputed activity was correct. So this meant it wouldn't refund her with the £833, which would re-debit her account again shortly. This was because it had evidence that proved that the disputed transaction hadn't been completed fraudulently.

Ms K wasn't satisfied and complained to this service.

Our investigator didn't uphold Ms K's complaint. He said that he understood it had taken multiple attempts for the form to be sent to Ms K and received by Barclays, but he thought the issues were down to postal services and not to Barclays. He said that although he didn't know what had been said on the phone, the forms made it clear that the credit had been temporary.

The investigator also explained that Ms K had told him that her debit card had been lost at the time of the payment. But the technical records had shown that Ms K's registered mobile had been used to make the £833 payment, and that the payment had also been verified by a one-time passcode which had been sent to her mobile. Ms K had confirmed to the

investigator that she hadn't lost her phone at that time. The investigator had also asked Ms K whether anyone else had access to her phone and account details. Ms K said she hadn't given anyone access to her mobile banking or banking details. She said her family and close friends knew her phone passcode, but she would never give them her phone or confidential information.

The investigator said that he didn't think it was likely that a third party had been able to make the payment without Ms K's consent. So he thought it was fair for Barclays to have held Ms K liable for it.

Ms K didn't agree. She said Barclays hadn't told her in the phone calls that the refund had been temporary, but had just automatically refunded and removed the money multiple times. She said that after the first form, which she didn't receive, everything had been emailed. She said that on these later attempts, Barclays hadn't been happy with her signature, or with other small details, which was why Barclays had kept refunding the money and taking it back again. She asked why Barclays had had to apply a temporary refund every time when the form was the same.

Ms K said she wanted to appeal, and her complaint was referred to me 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.

The emails between Ms K and the investigator after the investigator's View focus on Barclays' procedure about the form. I'll deal with that below, but the key issue in Ms K's complaint is whether or not Barclays should refund her for the disputed £833 payment.

Regulations and the disputed payment

There are regulations which govern disputed transactions, and 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 I've considered whether it's more likely than not that it was Ms K, or a third party fraudster, who carried out the disputed £833 transaction. I've not focused on the £565 transaction because this was returned to the account the same day, as I've explained above.

The technical records show that the £833 payment was carried out using Ms K's registered mobile, which she had used for many other transactions which she hadn't disputed. It was verified by a one-time passcode which was sent to her mobile. And the IP address (a unique computer identifier) was the same as one which Ms K used for other, undisputed, logins and transactions.

Ms K told us that she'd lost her debit card at the time, but she hadn't lost her phone. She said that no-one else used her card, knew her PIN or internet banking details, and she hadn't recorded the details of her debit card, PIN, or internet banking either. When the investigator asked Ms K whether anyone else would have had access to her mobile, she said she wasn't sure, because sometimes it was *'lying around and not with me.'* But without any of the security details I've listed, I can't see how any third party could have carried out the disputed transaction. So I think it's more likely than not that Ms K carried out the transaction herself. This means Barclays doesn't have to refund her.

Barclays' procedures about the temporary credits

Ms K is unhappy that she says she wasn't told that the credits to her account were temporary. Barclays' 8 February letter sets out clearly that the credit was temporary, though I recognise that Ms K says she never received that, and all subsequent attempts to sort out the completed fraud claim form were made by email.

I don't have the call recordings of every phone call, but in any event I think it's reasonable to expect Ms K to have realised that the credit wouldn't be permanent, because the investigation couldn't have been completed until after Barclays had received full details and declaration from Ms K.

In terms of the multiple temporary credits and debits, I recognise that it must have been frustrating for both sides that it took many attempts before the fraud claim form was completed. But I think that was just the result of individual circumstances around each attempt, not the fault of Barclays.

Finally, in relation to Barclays' procedures to provide a customer with a temporary credit, this service doesn't have the jurisdiction to instruct a bank to change its processes. That's the role of the regulator, the Financial Conduct Authority (FCA). But I would point out that it's common practice among banks to give a prompt temporary credit to a customer who disputes a transaction, with a review when the investigation has been finished. This is generally an advantage to customers, not a disadvantage.

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 Ms K to accept or reject my decision before 3 August 2023.

Belinda Knight
Ombudsman