

The complaint

Mr J complains that Barclays Bank UK PLC failed to refund a payment he didn't agree to that was taken from his account.

What happened

Mr J was trying to book a hotel and made a reservation, including entering his payment details into a website he thought was the genuine hotel's site. It turned out that Mr J had been somehow redirected to another site operated by a different merchant. This was a third-party hotel booking site.

After completing the reservation, Mr J became aware that the cost of the hotel was significantly higher than he expected due to additional charges added to his invoice.

Mr J raised the issue with Barclays, telling them that he was expecting to pay significantly less than he was charged and believed that the website he'd used was a scam.

Barclays used the Chargeback system to challenge the transaction. This entailed processing a request through the payment system operator, here it was Visa, where the booking merchant was asked about the payment they'd taken. A reply was received from them providing evidence that Mr J had completed a reservation form and agreed to the payment.

Based on the response from the hotel booking merchant, Mr J wasn't provided a refund. There was a misunderstanding between Mr J and Barclays about the amount being challenged, but as the merchant provided sufficient proof that Mr J was responsible, this didn't affect the outcome.

Mr J was left unhappy with how the matter was dealt with and complained to Barclays about their handling of his issue. Mr J strongly believed he'd been scammed due to the much higher payment he was required to pay compared to what he thought the reservation should have been. After again looking at what had happened, Barclays maintained their position and didn't offer a refund to Mr J.

He then brought his complaint to the Financial Ombudsman Service for an independent review. It was looked into by one of our investigators who reviewed evidence provided by both parties. Mr J provided further details concerning the public reviews of the booking agent, showing similar situations to his own. He argued that he hadn't agreed to the payment to the booking merchant.

The investigator's report didn't recommend that Barclays make a refund based on the authorisation of the payment made by Mr J.

Mr J continued to disagree with the outcome and provided additional information, in summary this said:

- He wasn't using the booking merchants website and thought he was on the genuine merchants own site.

- Other people have experienced a similar issue.

Mr J wanted a further review of his complaint which has now been passed to me for a 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.

Unfortunately, I'm going to have to disappoint Mr J regarding his complaint. There's little doubt that he made the payment after inputting his card details into the website (of the booking merchant), although I accept he was unaware of this at the time.

Based on the current payment regulations (Payment Services Regulations 2017), because Mr J entered his card details including the three-digit security number, this meant that Barclays released the payment based on this authorisation by Mr J. Even though Mr J didn't realise this at the time and was only intending to pay a different amount (directly to the hotel), the agreement he made with the booking website meant that they could request the money from his account.

My understanding is that the third-party website arranged to book a room on behalf of Mr J, so even though they charged a significant premium for doing this, there was little chance that the Chargeback would be successful.

I have some sympathy with Mr J's position, and it does appear that he was caught out by a merchant who seemed to have done the same to other people. But based on the regulations that are currently in place, I'm unable to ask Barclays to make a refund because he authorised the payment himself.

I understand Mr J didn't think he'd been on the merchants website, but the evidence I've seen indicates that he was on it because all his details, including his card details were recorded. These would be unlikely to have been entered by anyone else at the time.

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 Mr J to accept or reject my decision before 30 January 2024.

David Perry
Ombudsman