

The complaint

Mr S complains that Barclays Bank UK PLC trading as Barclaycard hasn't refunded a payment he authorised on his credit card.

What happened

In early 2022, Mr S says he made a booking with a hotel using his Barclaycard credit card. When he arrived at the hotel, he says that they informed him the payment could not be taken from the credit card. Mr S says the hotel had also booked him into the incorrect type of room. He said that he had to cancel that original room booking on arrival and book the new correct room. He said the room was changed and Mr S paid for that new room using a different card.

Mr S realised later that a payment of £1,087.21 had been charged to his Barclaycard credit card. This charge was in addition to the fee he paid to the hotel for the new room and for a significantly larger amount. He contacted Barclaycard to dispute the transaction. He was also unhappy that Barclaycard had allowed the transaction to go through as he said he only had a £1,000 credit limit.

Barclaycard asked Mr S to provide some additional evidence to support his claim before it could try and recover his money through the chargeback scheme. It said that it wanted a copy of the original booking Mr S made and the hotel's cancellation policy. Mr S didn't provide this information and the time limits to complete a chargeback elapsed. Barclaycard explained that it would consider a claim under Section 75 of the Consumer Credit Act 1974 ("Section 75") if Mr S provided the additional evidence.

As Mr S didn't provide what Barclaycard had asked for it didn't agree to refund him. In addition, it said that Mr S' credit limit had been increased to £1,500 a few months before the transaction had taken place and as he had enough credit available, the transactions was allowed to go through.

Our investigator didn't recommend the complaint be upheld. She didn't think Barclaycard had acted unfairly or unreasonably when trying to assist Mr S. It was now too late to attempt a chargeback and as Mr S hadn't supplied the information requested, she didn't think Barclaycard's decision to not pursue a chargeback without it was unreasonable. She didn't think Mr S had provided sufficient evidence to demonstrate that the charge he was disputing was made by the same hotel or that even if it was, that there had been a breach of contract or misrepresentation for which Barclaycard might be jointly responsible under Section 75.

Mr S didn't agree, so the complaint has 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.

Mr S contacted Barclaycard to say that he had been incorrectly charged twice by the hotel

and wanted assistance in getting his money back. As the payment was debited from his Barclaycard credit card, I've thought about whether Barclaycard acted fairly in trying to assist him.

Barclaycard could have attempted to recover Mr S' payment using the chargeback process. Chargeback provides a mechanism for Barclaycard to ask for a payment Mr S made to be refunded, but only in a limited set of circumstances. What circumstances apply are set out in the relevant card scheme rules.

Barclaycard isn't obliged to initiate a chargeback, but I would consider it good practice for it to do so where a chargeback right existed and where there was a reasonable prospect of success. In Mr S' case, the payment he was disputing was debited by a different entity to the hotel itself (the hotel name appeared on his other transaction, but not on the one he was disputing). There was therefore some doubt as to whether the charge Mr S was disputing was for the same hotel.

In order for there to have been a reasonable prospect of success for the chargeback I would have expected there to have been some persuasive evidence to: a) show the charge was likely made by the same hotel; and b) demonstrate that Mr S was entitled to a refund.

Barclaycard requested evidence from Mr S to try and establish these things. However, Mr S didn't – and still hasn't – provided any evidence for the original booking he made (to show what he booked and for what price) or what the hotels terms for cancellations were. As this evidence wasn't provided to Barclaycard, I'm satisfied that it didn't have enough evidence for the chargeback to have a reasonable prospect of success. For that reason, I don't think it acted unfairly in not initiating one. Chargebacks have strict time limits, and it is now too late for Barclaycard to attempt one even if Mr S were to provide more evidence.

In considering whether Barclaycard treated Mr S fairly, I'm also required to take into account relevant law. I've therefore also considered whether it acted fairly in declining his claim under Section 75.

Section 75 sets out that if Mr S has a claim for breach of contract or misrepresentation against the supplier of goods or services he purchased using his credit card, he can make a like claim against Barclaycard. But there are certain conditions that need to be met for section 75 to apply. It is debatable whether those conditions were met in Mr S' case, but ultimately, I don't think that makes any difference as I'm not satisfied Mr S has demonstrated there to have been any breach of contract or misrepresentation by the supplier that charged his card.

The charge Mr S is disputing was debited by a different company to the hotel. Mr S has been unable to supply any documentation relating to the original booking he says he made. Therefore, there is currently no persuasive evidence to demonstrate that the charge Mr S disputes was made by the same hotel. It is just as possible, based on what information is available, that the charge relates to an entirely different hotel booking at a different time.

Even if Mr S could demonstrate that the charge was from the same hotel. He would also have to demonstrate that in charging him, there was a breach of contract. Mr S hasn't provided anything persuasive to demonstrate that the hotel wasn't entitled to charge him or that it had made an error with his original booking. For all these reasons I don't think Barclaycard acted unfairly when it declined his claim and complaint.

Mr S is also unhappy about the change to his credit limit and says he wasn't aware of this at the time of the booking. Barclaycard says that it wrote to Mr S informing him of the change and sent him a text message. It would also have been visible on his monthly statements. I'm

therefore satisfied that Barclaycard did enough to notify Mr S of the limit change.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 March 2024.

Tero Hiltunen
Ombudsman