

The complaint

Mrs V complains that Barclays Bank UK PLC trading as Barclaycard told her she would get her money back on payments she had made for a holiday, but this didn't happen. Mrs V wants to be refunded her payments.

What happened

Mrs V booked a holiday paying separately for the accommodation and flights. After making the booking, while the transactions were still pending, Mrs V decided she wanted to cancel her booking and contacted Barclaycard. Mrs V says she was told that she would be able to cancel the bookings and receive a refund and so she didn't make contact with the booking agent. However, when she received her account statement on 22 December 2023, she found the payments hadn't been cancelled. She raised a complaint with Barclaycard.

Barclaycard issued a final response letter dated 4 June 2024. It noted that when Mrs V first raised her dispute, she was assured she would receive refunds for her transactions which it said shouldn't have happened. Instead, Mrs V should have been told that the disputes would need to be investigated to determine an outcome. It apologised for this misinformation and also acknowledged that it had failed to contact Mrs V after the disputes team had reviewed her information. Because of this it accepted that Mrs V wasn't provided with the service she should have been and paid her £200 compensation.

Mrs V wasn't satisfied with Barclaycard's response and referred her complaint to this service. She wanted her payments for the holiday refunded.

Our investigator explained that section 75 of the Consumer Credit Act 1974 says that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there's either a breach of contract or misrepresentations by the supplier of goods or services. However, based on his discussions with Mrs V he didn't find that there had been a breach of contract or misrepresentation but instead Mrs V had changed her mind about the holiday. He noted on the contact between Mrs V and Barclaycard Mrs V was assured that disputes for the transactions would be raised. But he thought it would have been reasonable for Mrs V to still contact the retailers about a refund. He thought the £200 compensation that had been offered was fair given the service issues raised.

Mrs V requested that her complaint be considered by an ombudsman. She explained that when she needed to contact Barclaycard it was closed so she used the online chat. She said it was reasonable that she would rely on the information given. Mrs V said she had raised a similar complaint which had been upheld by this service. She said that Barclaycard had admitted to providing the incorrect information and she shouldn't be out of pocket because of Barclaycard's mistake.

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 can understand why Mrs V is upset by the service she has received, and I appreciate her providing further background as to her reasons for wishing to cancel her bookings. But for me to uphold this complaint I would need to be satisfied that Barclaycard had done something wrong or treated Mrs V unfairly. And, to the extent this had happened, it hadn't taken appropriate action to resolve this.

Mrs V made two payments on 24 November 2023. One for £1,914 to a holiday provider and one for £533.10 to an airline. She then changed her mind about the holiday and contacted Barclaycard through the online chat facility on Sunday 26 November to see if she could get the payments refunded. On the chat she said that she wasn't entitled to a refund and wanted to know if she could claim a refund through Barclaycard. She was told the payments were pending and couldn't be stopped and was recommended to contact the merchants to ask them not to claim the payments. Mrs V was then told that if the transactions were claimed then she could ask to raise a dispute. I do not find that the agent did anything wrong at this point by saying a dispute could be raised.

However, Mrs V then asked if the agent was sure she would get her money back and the agent said '*absolutely yes*'. The agent then said that they would raise a claim once a dispute had been raised. Having reviewed the online chat transcript I find that the agent did give reasonable information about the need to raise a dispute and for a claim to then be made. However, they then gave confirmation of the refund being provided rather than saying that the dispute would need to be investigated and the outcome based on that.

When incorrect information is given, we do not necessarily require the business to act as if the information provided was correct, but instead assess the impact of the misinformation to establish what reasonable action should be taken. In this case, Mrs V changed her mind about the holiday after making the booking. There is no evidence of a breach of contract or misrepresentation by the merchants and so I cannot see that there is a valid section 75 claim. Therefore, I do not find that the information provided on 26 November had an impact on any claim that could have been made under section 75.

There is a question as to whether Mrs V would have taken further action with the merchants had she not been told on 26 November 2023, about the refund. I have considered this but note in the initial stages of the online chat Mrs V said that she wasn't entitled to a refund. Barclaycard has provided the account notes which show contact on 1 December 2023 where Mrs V was told she would need to provide proof of the refund to be able to get her money back. As this conversation happened before the flights and holiday were due to take place, I think it would have been reasonable for Mrs V to contact the holiday company and airline at that time about any potential refund.

Taking everything into account, I do not find that the misinformation resulted in Mrs V not receiving a refund that she otherwise would have benefited from. Therefore, I do not require Barclaycard to refund her the transactions. However, it is clear that Mrs V wasn't provided with the service she should have been and was given false hope about a refund. Given this I agree that compensation should be paid. In its final response letter, Barclaycard said £200 had been transferred to Mrs V's account for this issue and not providing Mrs V with a response to her dispute. I think this is a reasonable resolution.

In conclusion, I understand that my decision will be disappointing for Mrs V, and I note her comment about another case being upheld. But as she is aware each case is assessed on its individual merits and in this case, I find the compensation paid by Barclaycard for the issues involved is fair.

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 Mrs V to accept or reject my decision before 24 October 2024.

Jane Archer
Ombudsman