

## **The complaint**

Mr B complains that Barclays didn't do enough to help him when he told it about a dispute he had with a merchant over goods paid for using his Barclays debit card.

## **What happened**

In August 2023 Mr B purchased a guitar online using his Barclays debit card. The payment was made through a payment processor to an online marketplace where the seller had listed the item. The cost of the guitar was £2,649.25 and in addition Mr B paid the courier company, which was due to deliver the guitar, a £572.14 customs fee as it was being shipped from outside the UK.

Mr B has said the guitar was due to be delivered on 4 or 5 September 2023, however it didn't arrive. He was told by the courier company that it would be delivered on 8 September 2023, however again he did not receive this delivery.

In late September 2023 the courier company delivered another item which Mr B confirmed was the wrong item and it was subsequently collected.

Mr B says he made efforts with the courier company, merchant, online marketplace and the payment processor to try and recover the guitar. On 8 September 2023 Mr B also contacted Barclays to raise a dispute.

Barclays raised a dispute and asked Mr B for further information which Mr B says was provided. However, Barclays states it didn't receive a response. Barclays says the tracking number it was provided by the merchant shows that delivery was refused as the packaging was damaged. Barclays then said because Mr B had provided nothing further, he would be held liable for the full cost and there was nothing further Barclays could do to help Mr B with this matter. It suggested he contacted the merchant again to try and resolve the matter directly. Barclays did pay Mr B £150 for the poor service he received during the administration of this chargeback.

Unhappy with Barclays' response Mr B referred his complaint to our service. Mr B argues that he did provide further information to Barclays when requested. He's provided a copy of the email he says was provided to Barclays and an email confirmation from Barclays acknowledging he'd been in contact. In addition, Mr B has also provided further context regarding the attempted delivery. He's provided photos of the item he says was delivered stating it was clearly not a guitar and he arranged for the courier to collect it. He says if Barclays had requested further clarification on this point, he would have been able to provide it. Mr B has since received a refund from the merchant for the money paid for the guitar.

A separate chargeback was raised for the customs fee which was successful. Although not the subject matter of this complaint, Mr B feels the refund of the customs fee further supports his argument that the guitar was not delivered. Mr B feels that Barclays has failed to investigate the matter properly or keep him updated.

Our investigator considered the complaint. She concluded it was unclear whether the chargeback would've been successful. She felt that relevant parties were still waiting for the courier to declare the package missing before they could complete their investigations. However, in any event, at the time of her assessment Mr B confirmed he had now received his refund from the merchant. The investigator did however agree that Barclays should compensate Mr B for the distress and inconvenience it caused in how it handled his chargeback request. She felt the £150 Barclays had already paid was sufficient compensation.

Mr B disagreed and so the complaint has been passed to me to consider. I issued a provisional decision setting out the following:

In deciding this complaint, I am only considering the actions of Barclays in how it has handled Mr B's request to raise a chargeback on his behalf. I am not considering the actions of the merchant, the marketplace, the courier or the payment processor.

Firstly I think it would help by providing context about what a chargeback is and how it works. A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, or where goods or services aren't as described.

There's no automatic right to a chargeback; the chargeback process doesn't give consumers legal rights; and chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by the merchant. This is because the rules, set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial business to raise a chargeback.

Where the merchant challenges a chargeback, a bank doesn't have to carry out a detailed investigation into what actually happened to decide which party deserves the money. However, I would expect any response to have been put to Mr B to provide him with the opportunity to respond.

From everything I've seen, Mr B raised the chargeback with Barclays on 8 September 2023. On 3 October 2023 Barclays wrote to Mr B and requested further information. Barclays has said it didn't receive a response to this. However, Mr B has provided a copy of an automatic reply email dated 6 October 2023. This has since been put to Barclays by the investigator and we have not received further comment from Barclays. In addition, Mr B has provided a copy of the email he sent to Barclays on 6 October.

Having considered all the information I've been provided, I think it's most likely Mr B did provide further information to Barclays as requested. I don't know what happened to the information Mr B provided. I can see he put an extract of his account number and sort code as the email reference rather than using the reference Barclays had provided and asked him to use. However, Barclays could've easily clarified this if it wasn't able to identify what dispute the email related to. In addition, as Mr B argues, I haven't seen anything to suggest Barclays chased Mr B for a response.

Barclays has said the merchant defended the chargeback. As part of the response to the chargeback there's a number of conflicting statements. There is a message from the merchant dated the 22 September which said that a search claim was raised to try and locate the item and it will either be delivered or declared lost. It said it needed an outcome to the search claim as there's a chance Mr B could still receive the item. In addition, a tracking reference was provided to Barclays. Barclays checked the tracking number which stated that the item was refused by the receiver and will be returned to the sender. Mr B believes this is in relation to the incorrect item which was sent in late September. However, this item was delivered and was subsequently collected by the courier. And I can see a reference to the

item being delivered within the merchant's response. It might be that as the passage of time went on things evolved and the incorrect item was sent, confusing things further.

I can see within Mr B's customer contact notes there's a statement to say the merchant response documents were sent to Mr B. However, after being asked, Barclays was unable to provide further information. Mr B is also unclear about whether or not this information was sent to him. In any event, I think it's clear Barclays failed to progress this claim effectively. Barclays didn't add Mr B's information from 6 October 2023 to his dispute which would've provided more context, particularly in relation to the later item which was delivered. As a result of this Barclays concluded Mr B hadn't provided further information and so it failed to take the dispute further. There are also delays, which Barclays has acknowledged, and Mr B also claims that Barclays failed to regularly update him about the progress of the chargeback.

Mr B has confirmed that he has since received a refund for the funds paid for the guitar. I therefore don't need to reach a finding on whether the chargeback had a reasonable prospect of success. As even if I thought it did and Barclays' actions were the reason it wasn't successful, the redress Mr B would've received would've been the amount paid for the guitar which he's already received. However, I will consider the impact Mr B has said Barclays' actions have had on him.

Mr B has said he found the matter very stressful and upsetting. He felt throughout that Barclays had failed to update him and properly progress the claim for him. I have noted Barclays' comments that Mr B didn't allow much time for the merchant to resolve this directly before asking Barclays to get involved. And by raising a dispute with Barclays this resulted in another party becoming involved when there were already a number of parties involved in the recovery of the payment/the guitar. However, I can also see why Mr B was concerned and would've wanted the matter resolved quickly, given it was a substantial sum of money. Ultimately, as I've explained above, there were some failings by Barclays in the handling of this claim. I've considered our compensation award bandings and the impact Mr B has told us this had on him, and I think that Barclays should increase the compensation offered to Mr B to £300. I think this recognises what Mr B has told us about the distress he's experienced as a result of how Barclays' has handled the chargeback claim.

I have noted Mr B's comments about the chargeback on his customs payment being successful. I appreciate why Mr B has said this supports his argument that the guitar wasn't delivered (as why would the customs fee be refunded if it had?). However, ultimately this was a separate chargeback against the courier company. The courier company chose not to dispute the chargeback and so it was successful. Each chargeback was independent of each other, and I've not seen any evidence to show why the merchant chose not to dispute this. In any event I don't think this materially impacts the outcome of the complaint. Notwithstanding the outcome of this chargeback, I agree with Mr B that the chargeback in question wasn't progressed effectively by Barclays and I have awarded compensation accordingly.

I asked both parties to provide anything further they wished for me to consider. In response Barclays accepted the decision. Mr B agreed with the overall outcome but doesn't believe £300 is sufficient to justify his distress and inconvenience and isn't what a court would award. In addition, Mr B feels that as his chargeback in relation to the customs fee was returned to him, this should have indicated his item hadn't been delivered.

### **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.

Having done so I am reaching the same outcome as my provisional decision for the reasons set out in my provisional decision. So it follows that I uphold this complaint. I think Barclays did make failings in the handling of this chargeback and I think it should pay Mr B £300 for the distress and inconvenience this caused him. I would also like to comment below on the points Mr B raised in response.

I appreciate everything Mr B has said in relation to the distress and inconvenience this matter has caused him. As I've explained above, I do think there were failings by Barclays in how it handled this matter and I have increased the amount of compensation accordingly. I feel this amount is fair and reflects the length of time the matter has taken, and the inconvenience caused to Mr B.

As I explained in my provisional decision I also need to take into consideration our award bandings when deciding what level of compensation to award. In addition, I'm mindful that Mr B has managed to recover the funds paid and that any dispute of this nature is going to cause some distress and inconvenience. So I can't say Barclays caused all of Mr B's upset (although as I've explained there were some failings on Barclays' behalf). Taking all this into consideration I still feel £300 is a fair award to make.

I have also noted Mr B's comments about his customs fee being refunded (by a separate chargeback). I note the logic of his argument – that this should have suggested to Barclays that the item wasn't delivered, and I can see why Mr B has reached this conclusion. However as explained in my provisional decision this was a separate chargeback against the courier company and the courier company chose not to dispute the chargeback and so it was successful. I've not seen the details of that chargeback so I can't comment on why it was successful. I therefore can't say that it should have impacted on the steps Barclays took in relation to the chargeback in dispute.

### **Putting things right**

For the reasons explained above I believe Barclays should increase the level of compensation offered to £300 to Mr B to recognise the distress and inconvenience he's experienced.

As Barclays has already paid Mr B £150 it should pay Mr B a further £150. I make no other award.

### **My final decision**

For the reasons explained, I uphold this complaint and require Barclays Bank UK PLC to put things right in the way described above.

Claire Lisle  
**Ombudsman**