

## **The complaint**

Mr D complains that Barclays Bank PLC closed his account without notice and recorded a CIFAS marker against his name. CIFAS is one of the UK's fraud alert services.

## **What happened**

Mr D opened a Young Person's current account with Barclays in February 2017 and was issued with a debit card. At the beginning of May 2017, two regular savings accounts were opened within a few days of each other. On 9 May, one of the savings accounts was credited with £760. On the same day, within a short space of time, the credit was withdrawn using an assisted device machine ("ASD") in one of the bank's branches.

Barclays received notice from a third party bank that the money had been taken fraudulently from its customer's account. Barclays investigated and concluded that Mr D had knowingly received a fraudulent credit and benefitted from it. It closed all of Mr D's accounts and recorded a CIFAS marker against his name.

Mr D says Barclays told him it was closing his account, but he was told it wouldn't record a marker against him. But, after successfully opening an account elsewhere, around a year later that bank closed his account. And he's had other account applications refused. He complained to Barclays but it wouldn't remove the CIFAS marker.

Our investigator didn't recommend that the complaint should be upheld. She concluded that it was most likely that Mr D was involved in the transactions – either by carrying them out himself or authorising someone else to do so – and that Barclays had met the standard of proof required for recording a fraud marker.

Mr D didn't agree. He said, in summary, that:

- The branch manager told his father that, because she knew him, a CIFAS marker wouldn't be recorded.
- He had nothing to do with the fraud.
- He can't explain how the transactions happened – but this service should find out.

## **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.

It is not this service's role to investigate and uncover exactly how these transactions were allowed to happen; that is the role of the police and the banks' fraud prevention departments.

Our role is to investigate the circumstances surrounding the complaint and decide if the bank has acted fairly and reasonably. Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The money credited to Mr D's account was a fraudulent transaction – the money had been debited from a third party's account without their consent. And the credit was withdrawn almost immediately. But, before placing the CIFAS marker against Mr D's name, Barclays needed to have a reasonable belief that criminal charges could be brought against Mr D as a result of the activity. A suspicion or concern isn't enough. So I need to decide if there's enough evidence to show that Mr D knew more about this than he's told us.

I've considered what Mr D has told us very carefully and have taken into account that he was young when this happened. But, after careful consideration, I think Mr D knew more about the transactions than he's told us. I say that for the following reasons:

There wasn't a bank card issued for the savings account. But there was a card for the current account. This is the card that was used at an ASD on 9 May. Using that card gave access to all Mr D's accounts and allowed the withdrawal of the £750.

Whoever made the withdrawal must have known about the fraudulent credit, because the withdrawal was made so soon afterwards. And whoever made the withdrawal needed Mr D's card, his PIN and his date of birth. Mr D says he lost his card. But that doesn't explain how the person who found his card also knew his PIN and his date of birth. Mr D told us he didn't tell anyone his PIN or write it down. And there doesn't seem to have been a point of compromise for his PIN. The last undisputed transaction was on 2 May and it seems unlikely that, if an individual had "shoulder surfed" him and then acquired his card, that that individual would wait until a week later to use the card to try to access any money in the account. Likewise, I can't see how the individual who used his card would have known Mr D's date of birth – Mr D didn't lose any identification with his card.

I can also see that someone was fairly frequently logging into Mr D's online banking around the time of the fraudulent transaction. Whoever accessed Mr D's online banking would have needed his online registration details, including his memorable information. Again, there's no explanation for how this information could have been obtained by someone else. So I think it most likely that Mr D was checking for when the credit had reached his account.

I've considered carefully that – after the last undisputed transaction on 2 May – there were no card transactions on the account until 9 May. And this seems unusual bearing in mind the past activity on the account. But the balance on the account for this period was only just over £1. And, as it appears Mr D's wages had stopped being paid by online bank transfer, there was no money in the account for Mr D to use. So I don't find the lack of card transactions is enough to evidence that Mr D had lost his card.

Taking all of this together, this all points to Mr D knowing more about the transactions than he's told us.

#### *Closure of the account*

Following its investigation, Barclays decided to close Mr D's bank account. I find it did this in line with its terms and conditions.

#### *Recording a CIFAS marker*

The pattern of transactions is typical of an account holder allowing their account to be used by a third party for them to launder money through it – a term more commonly known as a money mule. If there was some evidence that Mr D had been coerced or threatened into allowing a third party to use his account in this way, I would expect Barclays to show some sympathy for him and, depending on the circumstances, it may not be appropriate to record a fraud marker. But Mr D maintains he knows nothing about the transactions and I've not seen anything to suggest he was forced into allowing someone to carry out these transactions – I would have expected him to tell his parents and to report it to the police if this was the case.

Overall, I think Barclays does have enough evidence to report this matter to the police.

In reaching this decision I have taken into account that Mr D was young when these transactions happened and that he may not have realised the serious implications. I've also considered the impact the CIFAS marker has had on him – and will continue to have on him. But I'm afraid this doesn't change my overall conclusion. I've found that the CIFAS marker is factually correct, so I can't ask Barclays to remove it.

I've not seen evidence to show that Barclays told Mr D it would not record a CIFAS marker. Mr D thinks Barclays delayed recording the marker because he was able to open and use an account with another bank for around a year. But I've seen evidence to show the marker was recorded shortly after it had concluded its investigation into the transactions.

### **My final decision**

For the reasons I've explained, 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 D to accept or reject my decision before 23 July 2020.

Elizabeth Dawes  
**Ombudsman**