

The complaint

Mr A has complained that Barclays has recorded a CIFAS marker against him, which he feels is unfair. He'd like the marker to be removed.

What happened

Mr A had a large sum credited into his Barclays account. The sending bank confirmed that this payment in was a scam payment. However, by this time, the funds had been withdrawn from the account, through a combination of ATM and online transfers. Barclays then recorded a CIFAS marker against Mr A.

Mr A has said he wasn't aware the money had been credited to his account. Further, he did not know about the transactions withdrawing/transferring it. He's explained that his card hadn't been lost and that nobody else knew his PIN.

Mr A has said that Barclays never called him to discuss matters, or to tell him it was putting a block on his account. Since this happened, he's been unable to open a standard bank account, and has had to use a credit only online account.

Mr A has explained he wasn't able to chase Barclays, because between 2014 and 2019 he didn't have any identification, as he didn't have a visa and had lost his passport. But once he had his new identification, he'd gone into a branch on a few occasions, but then not heard anything back from Barclays.

Barclays has said that the sum was credited to Mr A's account, then withdrawn within 24 hours. As it was unable to obtain an explanation for this, it closed the account, in line with its terms and conditions.

Barclays has explained that Mr A could have visited a branch without photo identification. But it has no record of this happening.

Finally, Barclays has said that it took too long to look into Mr A's complaint, so has offered him £150 compensation for this. It has confirmed this offer remains open.

One of our investigators looked into what had happened. He explained that the regulations relevant to this case are the Payment Services Regulations 2009 (the 'PSRs 2009'). These explain that a payment out of someone's account can only be authorised if the payer has consented to it. The payment service provider must show the payment was authenticated. But it's not enough for the bank to simply rely on the fact that the card and PIN were used, or the personalised set of procedures needed to initiate a payment; that doesn't necessarily mean that the payment transaction was authorised by the account holder. But account holders can become liable for unauthorised payments when they haven't met certain obligations.

Our investigator noted that it wasn't in dispute that the funds paid into the account were fraudulent. So he looked at what had happened with the withdrawals of the sum. He said that money was withdrawn from Mr A's account through both ATM withdrawals and online money transfers. The ATM payments were all made with his genuine card and authenticated

with his PIN. CCTV footage was not available. And there was no explanation of how a third party could have gained access to his card and PIN without his knowledge.

As regards the online transfers, these were authenticated by PIN Sentry. This is a device which would generate a password which is then used to log on. Every online login would require this. Barclays provided an online log in history going back to February 2013, showing all the logins which were undertaken in that time. During all this time there was no sign that a third party has access to Mr A's account through this method, although Mr A has said he was unaware of having the PIN Sentry device.

Our investigator said he was unable to say for certain what happened, so he had to rely on what he thought was most likely. If Mr A's online banking had been compromised from February 2013, he thought he would have noticed. He couldn't see how a third party would benefit by logging onto the account multiple times, but taking no action. So he thought it most likely that these logins were done by Mr A or by someone with his authority.

Our investigator also thought it unlikely that Mr A's card, PIN and PIN Sentry device could all have been compromised together. This was because Mr A had given no indication that his card was ever lost, or how a third party could have gained knowledge of his PIN.

Given this, our investigator didn't think Barclays had been unfair in recording the CIFAS marker. He noted this would remain for six years.

Our investigator also looked at why Barclays hadn't called Mr A after he went into the branch in 2019. This was unclear, but he considered the £150 Barclays offered for its delays to address this point.

Mr A disagreed, so his complaint's been passed to me.

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'm aware that Mr A would like to speak to me. However, I haven't considered that necessary, as I have access to, and have reviewed, everything he has submitted. This includes telephone calls.

I've looked carefully at what happened. Unfortunately, it's not possible for me to know definitively. So, taking into account what I think most likely, I've considered whether Barclays acted fairly. I think it did. I'll explain why.

It's not been disputed that the funds received into Mr A's account were connected to fraud. These were withdrawn within 24 hours. I agree with our investigator's conclusion on this. I cannot say for sure whether Mr A withdrew the funds, or someone with his authority, or someone else entirely. But there is no explanation as to how the withdrawals and transfers could have happened. I know Mr A feels aggrieved that he can't provide evidence to support his case, and I know this must be frustrating. But, for the same reasons as our investigator gave, I have to decide whether it was unfair of Barclays to take the action it did regarding the account and CIFAS marker. And in the absence of any evidence of Mr A's account being compromised, I think it was reasonable.

I turn now to the delays in Barclays dealing with Mr A's complaint. I agree that this was poor service, and would have been upsetting and inconvenient for Mr A. Barclays has offered

£150 compensation in recognition of this. I'm satisfied this is fair and remains open to Mr A to accept, should he wish to.

My final decision

It's my final decision that the £150 compensation Barclays Bank UK PLC has offered is fair and reasonable, and I'm not asking it to do anything further. I leave it to Mr A to decide whether he wishes to accept this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 December 2020.

Elspeth Wood
Ombudsman