

## **The complaint**

Mr A complains that Barclays Bank UK PLC has closed his account and registered a marker at CIFAS the national fraud database.

## **What happened**

Mr A says his bank account was put under review and then Barclays decided to close it. He says Barclays refused to give him the remaining balance unless he could prove he was entitled to the money. Mr A told Barclays that the credit it was concerned about had come from his account at a different bank. But he is unhappy that Barclays wouldn't remove the marker. He accepts it could decide to close his account, but he was unable to open an account elsewhere. He can't understand why Barclays eventually gave him the money remaining in his account if he was involved in a fraud.

Our investigator didn't recommend that the complaint be upheld. She said that Barclays had made a business decision to close the account. It was entitled to do so under the terms and conditions. It had received a report that fraudulently obtained funds had been received into Mr A's account. And so, it had grounds to register the marker.

Mr A didn't agree. He said that he didn't think all the parts of his complaint had been considered. He said that putting the marker on without any proof made no sense. Barclays had refused to provide him with that evidence of fraud. And it had now released the remaining funds in his account which must mean there was no evidence of fraud.

## **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 need to consider whether the report to CIFAS was made fairly. On this point, Barclays needs to have more than a suspicion or concern. It has to show it had reasonable grounds to believe that a fraud or financial crime had been committed or attempted and that the evidence would support this being reported to the authorities.

I know from Mr A's submission to this service and the notes Barclays made of a discussion with him that he is aware that a specific payment into his account was reported as being fraudulently obtained. Mr A knows that this money had come from his account at a different financial business. And Barclays told him that if this money was legitimately his then he'd need to ask his other bank to withdraw that report of fraud. I know he wasn't happy with that and I can't see that this has happened. He doesn't think that his other bank has registered a fraud marker at CIFAS. But I think it was up to him to take this up with that bank. I am considering here what Barclays did.

Barclays would look to return any fraudulently obtained funds remaining to the bank making the report. It would look at when the funds were received and the next payments out from the account to decide whether any of that specific money remained. Here I can see it had all

been withdrawn – and the balance in the account was the result of a later credit Mr A had received. Mr A would be able to see this from his bank statement.

I understand from what Mr A says that Barclays later allowed him to withdraw those other funds. It must have decided he was entitled to them. I don't see he's complaining about getting that money back. And although potentially confusing that isn't inconsistent with Barclays also still believing that his account had been used for fraud.

As our investigator says it was entitled to review his account and decide it no longer wanted to offer him an account. Barclays says that it applied the CIFAS marker because Mr A received fraudulent funds into his account. So, I've looked at whether Barclays was fair to apply the marker, based on the evidence it had, and the investigation it carried out. CIFAS guidance says the business must have carried out checks of sufficient depth to meet the standard of proof set by CIFAS. This essentially means that Barclays needs to have enough information to make a formal report to the police. And that any filing should be for cases where there are reasonable grounds to believe fraud or financial crime has been committed, rather than mere suspicion.

Having reviewed Mr A's account of events and the evidence Barclays has provided, I'm satisfied that Barclays had sufficient evidence for the CIFAS marker to be recorded. In coming to this view, I've taken into account the following reasons:

- Mr A received funds into his account that were reported as being fraudulently obtained.
- He authorised the withdrawal of the funds and so was in control of who had the benefit of this money.
- Barclays had grounds to believe that Mr A had used fraudulently obtained funds based on the evidence it had.

I know Mr A will be disappointed when I say that I don't have a basis to require Barclays to do anything further.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 March 2021.

Michael Crewe  
**Ombudsman**