

The complaint

Miss H has complained that Barclays Bank UK PLC recorded a fraud marker against her at CIFAS, the national fraud prevention agency.

What happened

On 9 July 2020, Miss H received a credit of £1,500 into her Barclays account. She acted quickly to check her balance, then withdrew £1,300 in cash and transferred the other £200 to her savings. The next hour, she received another £1,500 from the same source. She then transferred another £100 to her savings, checked her balance, and withdrew £1,400 in cash.

The sending bank reported these credits as fraudulent. Barclays blocked Miss H's account and placed it under review. Following the review, Barclays decided to close her account and register a fraud marker at CIFAS.

Miss H says she'd been called by a friend who asked her for help. She says the friend was unable to get to a bank as they were too busy, so they asked Miss H to withdraw their money for them. They sent her the first £1,500 and told her she could keep £300 for herself, as Miss H had lent this friend £300 in the past. Miss H said that after she handled the first £1,500, she was driving to a family member when the friend called her again and asked her to handle the second lot of money. Miss H explained she was just helping a friend and didn't know the funds were fraudulent, and she'd never done something like this before.

Our investigator looked into things independently and didn't uphold the complaint. They explained that Miss H had received, benefitted from, and possibly passed on fraudulent funds, and there was no dispute she'd authorised the withdrawals in question. Miss H hadn't been able to evidence her story or the conversations she said had taken place, and there was no evidence she'd actually given anyone the cash as opposed to keeping it. And they felt it didn't make much sense why someone would need Miss H to make these withdrawals for them unless she was helping them process fraudulent money.

Miss H didn't agree. She reiterated that she didn't know the funds were fraudulent and had only kept the money she was owed, which was rightfully hers. She said nothing like this had ever happened to her before, and the friend had now disappeared. She explained the great stress that the situation had put her under. She asked for a second review, so the case was passed to me to decide.

I sent Miss H and Barclays a provisional decision on 10 May 2021, to explain why I didn't think the complaint should be upheld. In that decision, I said:

In order to register this marker, Barclays were not required to prove beyond all reasonable doubt that Miss H had done something wrong. Instead, they had to have reasonable grounds to believe she'd deliberately misused her facility, going beyond a simple suspicion or concern, and with appropriate evidence to support this. Having carefully considered everything that both sides have said and provided, I currently think that Barclays did have sufficient grounds to register the marker. I appreciate this will come as a disappointment for Miss H and I understand she's going through a tough time in general. I'll explain my thinking and what I've found.

First, I'm satisfied from Miss H's testimony and from Barclays' technical evidence that she knowingly received the £3,000 in question, withdrew £2,700 of it in cash, and transferred the other £300 to her savings. And these funds were confirmed as fraudulent by the sending bank. The question, then, is whether the evidence suggests that Miss H knowingly did something wrong, or whether she was acting unwittingly as she's explained.

According to Miss H, she lent this friend hundreds of pounds. She was also OK with handling large sums of money for them at very short notice even when she was busy doing other things, and she was trusted by this friend to handle large amounts of cash on their behalf. So with all that in mind, I would expect that Miss H and this friend knew each other really quite well indeed. And so I'd expect that Miss H would be able to tell us things like who this person was and how they knew each other. I'd also expect there to be substantial evidence of their relationship or prior conversations, such as call histories, or texts, emails, social media histories, and so on. We asked Miss H for such evidence, giving examples of what she could provide – and these things should have been relatively easy for her to find. But so far Miss H has not given us any evidence which substantiates what she told us.

The only evidence Miss H sent Barclays was a heavily-cropped screenshot from an anonymous chat between her and an individual who cannot be identified – they had a cartoon for a profile photo and only a single letter for a name. In the small amount of text that's visible, this person sent Miss H two question marks and she told them she'd just pulled up and will go to the bank. So all this really tells us is that Miss H did indeed withdraw the fraudulent money and that she was co-operating with someone. But because Miss H didn't pass on any of what was said before or after, this screenshot doesn't evidence what she's said about why she withdrew the money. And if what Miss H said is true, it's difficult to see why she hasn't provided the full conversation, as it would only back up her version of events.

I've gone through Miss H's statements, and I can't see any record of her lending £300 to this friend. We asked Miss H what she'd lent this friend the £300 for, and asked if she could provide any evidence of the lending, such as records of her transferring the money or conversations where they'd discussed it. £300 is not an insignificant sum, so I'd expect them to have talked about this or at least to have mentioned it in their communication. But again, Miss H has not as yet provided any evidence that she was owed this money.

According to Miss H's testimony, she was told she could keep £300 from the initial transfer to cover the money she was owed. And she did not know in advance that the friend would make the second transfer to her – she said she was only asked to deal with the second transfer later on. But if that's the case, it's difficult to see why Miss H only kept £200 from the first transfer, and not the full £300. Miss H mentioned she might have just made a mistake, but that's a large mistake to make. And the order of payments fits well with the possibility of her being paid to willingly forward on the fraudulent funds.

There are some further inconsistencies with Miss H's version of events. For example, she said the friend was too busy to go to a bank themselves. But it surely would have taken more time and effort for the friend to get hold of Miss H twice, explain and arrange everything, set up two transfers at different times, and then meet up with her to receive the money – not least as Miss H made the withdrawals in two different towns some miles apart. Further, the transfers were made directly to Miss H from the victim of fraud – not from the alleged friend. So I might have thought Miss H would've questioned who was suddenly sending her large sums of money supposedly for her friend, and why the friend had said the transfers were from them when they had quite clearly come from someone else.

Further, Miss H acted rapidly in checking that each transfer had come in and then withdrawing the money. It seems odd that Miss H was able to act so quickly if she had not been anticipating this money arriving before the friend got in touch, and it seems odd that she'd drop everything else to do this so quickly if she was just doing a favour for a friend out of the blue. I have also kept in mind that if Miss H knew this money was fraudulent, then she would have been motivated to withdraw it as quickly as possible before the fraud was reported. This is not a key point, but I thought it was worth mentioning.

Lastly, Miss H said she'd never done anything like this before. But I can see that in the weeks leading up to this incident she received a number of other large payments, which she then forwarded on through anonymous transfers or withdrew in cash in a similar manner. She doesn't appear to have had any previous financial dealings with any of these people. Even where the transfers are labelled as being for money owed to Miss H, I can't see any prior transactions where she lent these people funds. We asked Miss H if she could tell us how she knew these people, or evidence why they were sending her money and why she was forwarding it on. But as yet, she has not responded to our request.

In summary, I'm satisfied that Miss H received, benefitted from, and withdrew money that's been confirmed as fraudulent. She hasn't been able to show she was entitled to these funds, her version of events has inconsistencies and does not seem especially plausible, and she's not provided evidence to back it up – even when certain evidence would be relatively simple for her to get. The way this happened fits with Miss H acting as a willing money mule. She also used her account in a similar way a number of times leading up to this, and has not as yet been able to evidence why she kept receiving and forwarding on large sums of money.

So based on what I've seen so far, I think Barclays acted fairly in registering the CIFAS marker. It also follows that I don't think they did anything wrong by closing Miss H's account. This is a difficult message for me to give, and I know it's a difficult message for Miss H to receive. But given the evidence I have, and the balance of probabilities, I'm currently unable to reasonably reach any other conclusion.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 7 June 2021. But neither Miss H nor Barclays sent me anything new to consider.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before.

My final decision

I don't uphold Miss H's complaint in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 7 July 2021.

Adam Charles
Ombudsman