

The complaint

Mr C complained because Barclays Bank UK PLC refused to refund him for transactions which he said he didn't make.

What happened

On 27 July 2020, Mr C contacted Barclays. He said he'd had a call from Barclays' fraud team to alert him to suspicious behaviour on his account, but Barclays say it hadn't made any such call. Mr C said that a total of £2,319 had debited his account through his Barclays mobile banking app, and he hadn't authorised these debits.

Barclays investigated. Mr C told Barclays that he hadn't shared his details with anyone, including his passcode for his mobile banking. He still had his debit card in his possession, and he hadn't compromised his details through any suspicious texts or emails. Barclays refused to refund Mr C.

Mr C complained to this service. He said he saw the money leaving his account when he'd been on the phone to Barclays, so the transactions couldn't have been done by him. He said he'd never heard of the people to whom the money was paid, and had never had dealings with any of them in the past. He'd been working at the time it had happened, with his phone and card on him at all times. Mr C said he'd never given his login details to anyone.

Our investigator didn't uphold Mr C's complaint. He said that if an unknown third party had carried out the transactions, they'd have needed Mr C's card and mobile banking login details. So the investigator couldn't see how an unknown third party could have done it.

The investigator also noted that the first of the transactions had been carried out on the device which Mr C had used since August 2019. A new device had then been used for the rest. So any fraudster would have had to have obtained this, and been able to unlock it, then log in to Mr C's mobile banking. The investigator couldn't see how this would have been possible.

And the investigator pointed out that the IP address for the first transaction was the same as Mr C had used before. And Mr C had said he didn't know any of the recipients – but in fact he'd previously made a payment to one of them, a year earlier.

So the investigator thought that the most likely explanation was that Mr C had carried out the transactions himself, or had had some involvement in them.

Mr C didn't agree. He said he didn't understand how the investigator thought Barclays had done nothing wrong when the money had been taken from his account. He said he didn't know how the money had been taken and he'd never had dealings with any of the people the money had gone to. He asked for an ombudsman decision.

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.

There are regulations which govern disputed transactions. The relevant regulations for disputed transactions taking place in July 2020 are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if he did authorise them. So I've considered whether or not Mr C authorised these payments.

I've seen computer evidence that Mr C's genuine card and correct login details were used to make the payments. The first payment was made using the device which Mr C had used since August 2019. Then a new device was used for the other payments.

To register a new device, a customer needs to download the app, and register. The registration process includes confirming account details, and then using a PIN sentry device or going to a Barclays cash machine. In either case, the customer needs physical access to the genuine card and the correct PIN. The customer then gets a code to put into the app, which completes the registration of the new device. So anyone registering a new device to carry out the disputed transactions would have had to have known Mr C's account details, security information, and would have had to have had the physical card. But Mr C had said that he hadn't shared any of his details and that he had his card with him throughout.

I've also looked at the IP address used for the transactions. An IP address is a unique online identifier, showing where a transaction took place. The first disputed transaction used an IP address which had been used for genuine transactions in November and December 2019. So I find that it's highly unlikely an unknown third party fraudster would have had access to that IP address.

Several of the disputed payment recipients weren't new. One of them, for instance, had been added as a new payee in late July 2019, when Mr C had made an undisputed payment to him. Other recipients had also been added, all before July 2020 when the disputed payments took place. I consider it's very unlikely that an unknown third party fraudster would have chosen to make payments to some of the existing beneficiaries which Mr C already had set up on his account.

When reaching my decision, I do so by assessing what I think it most likely to have happened, taking into account all the circumstances of the case. Here, I can't see how a third party fraudster could have obtained Mr C's genuine card, the device he'd used for some time, and his security details. Nor do I think a third party fraudster could have used the exact same location (shown by the IP address) as Mr C had used before. Nor is it likely that a third party fraudster would pay some of Mr C's existing beneficiaries.

Taking all these factors into account, I consider it's more likely than not that Mr C either carried out the disputed transactions himself, or consented to them. So I don't uphold his complaint and don't require Barclays to do anything more.

My final decision

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 C to accept or reject my decision before 9 December 2021.

Belinda Knight
Ombudsman

