

## **The complaint**

Miss R complains that after Barclays Bank UK PLC closed her accounts she couldn't open an account elsewhere as she had been accused of fraud.

## **What happened**

Miss R says her account at Barclays was closed in June 2019. She explains she has since had difficulty opening another account. She was told by a different financial business that this was due to information about fraud on her Barclays account. She complained to Barclays about this in October 2020.

Barclays said it had closed Miss R's accounts in line with its terms and conditions. And that it had complied with its obligations as a regulated business.

Our investigator didn't recommend that the complaint be upheld. She said that she could confirm that a marker had been registered by Barclays at CIFAS, the national fraud database. This was for a 'misuse of facility'. She said that in May 2019 fraudulent funds of £3,400 had been received into Miss R's account. The money was quickly moved with approximately half withdrawn and half transferred on. Miss R hadn't responded to our investigator's request about whether there was any unusual activity leading up to this. So, she considered that the marker was added correctly.

Miss R didn't agree and wanted her complaint to be reviewed. She said that she didn't have money in her account and so hadn't been observant. It was only when her parents had sent her money for rent that she noticed a £900 transfer and after that her account was blocked. She said she hadn't seen the request from our investigator. And she didn't realise what had happened until later on. She had been scared by bank staff who said that the police might be involved and as an international student she didn't want to get into trouble. Miss R said she had mentioned to bank staff that she had misplaced her card but because her account was closed the card couldn't be blocked.

## **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've seen evidence that the payment of £3,400 into Miss R's account on 23 May 2019 was reported as being obtained fraudulently. It was also as our investigator says quickly moved on and there were no funds remaining.

The records from Barclays note that Miss R contacted it on 24 May 2019 after her account was blocked. And that she was told to go into a branch with identification. She is noted to

have first done so on 6 June 2019 after her account had been closed on 4 June 2019. There is no reference to her reporting that her card had been 'misplaced' as she now says. And I find it unlikely that she wouldn't want to report this as it would be material to what was happening on her account. Her bank statements show that she was regularly using her card and account. Miss R also wanted to access legitimate funds of over £2,000 sent to her account by relatives for her accommodation costs. So, I am struggling to understand why she wouldn't want to co-operate with any potential police investigation about fraud especially given these funds weren't returned to her for some time.

On her version of events Miss R had seen some of the money at least coming into her account. She didn't explain how this could have happened without her consent and knowledge. And the money was moved on quickly. I'm not persuaded on the evidence that it's *most likely* Miss R wasn't a witting participant in what happened.

Barclays says that it applied the CIFAS marker because Miss R received fraudulent funds into her 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 Miss R'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:

- Miss R received fraudulent funds into her account.
- She was in control of who had the benefit of this money.
- Barclays had grounds to believe that Miss R had used fraudulently obtained funds based on the evidence it had.

So, I'm afraid I won't be asking Barclays to do anything further. I appreciate how disappointed Miss R will be given what she says about the impact of the fraud marker for her.

### **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 Miss R to accept or reject my decision before 4 February 2022.

Michael Crewe  
**Ombudsman**