

The complaint

Miss L complains that Barclays Bank UK PLC ('Barclays') won't refund payments she says she didn't make from her account.

What happened

Miss L says that she met someone through social media. He said he would buy her clothes and asked for her address to send them to. He then asked Miss L for her online banking details and started to threaten her, saying he knew her address. Miss L provided her online banking details. She saw transfers from her account and asked him to stop but he continued to threaten her. Miss L says the fraudster made transfers to accounts of individuals she'd never met of £1 on 3 December and £500 then £1,500 on 6 December 2021.

Miss L reported the loss of £2,001 to Barclays on 6 December 2021 but later withdrew the fraud claim saying she had transferred funds to two different strangers when she was drunk, but the funds were being returned to her. A few days later Miss L told Barclays she was receiving back to back calls asking for money and explained she was the victim of a scam as she'd been asked to make transactions on her account.

Barclays advised Miss L it wouldn't re-open the fraud claim and issued a summary resolution letter. As Miss L was unhappy with Barclays' response, she brought a complaint to this service.

Our investigation so far

The investigator who considered Miss L's complaint asked Barclays for its file and chased this up, but in the absence of a response issued a view. She considered Miss L's complaint under the CRM Code and didn't recommend that it be upheld. Miss L didn't agree with the investigator and so her complaint has been referred to me. I asked Barclays to provide its file so that I could establish if Miss L's complaint is one we can consider and, if so, what I think about it.

Once Miss L's complaint was passed to me to investigate Barclays provided its file, which I reviewed. I decided that the best way to progress Miss L's complaint was to issue a provisional decision that allowed both parties the opportunity to respond and provide additional evidence. In the "What I've provisionally decided and why" section of the provisional decision I issued on 18 August 2022 I said,

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

Miss L has consistently told this service that she didn't make the payments herself but provided a fraudster with her internet banking log in details.

In line with the Payment Services Regulations 2017 (PSRs), Miss L isn't liable for payments she didn't authorise or otherwise consent to, unless she failed with intent or gross negligence, to comply with the terms of the account or keep the account security details safe.

It's not entirely clear whether the payments Miss L has disputed were authorised or not. Barclays hasn't provided any evidence in respect of authentication or consent (as it hasn't considered these points). But I don't think that matters in this case because even if they were unauthorised, I'm satisfied that Miss L failed with intent or gross negligence to take reasonable steps to keep her personalised security details safe. These regulatory requirements are also reflected in the terms and conditions of her account which say.

"You must do all you reasonably can to keep your payment tools safe. You must look after all the ways of taking money from or accessing your account..."

You must not give your payment tools to anyone else. If someone takes money from your account because you have not kept your payment tools safe or secret when you should have done, you may lose all the money...

If you think someone has used or is able to use any of the ways of accessing to your account, you must tell us as soon as you can."

A payment tool is defined and includes passwords and personal identifiers. The terms and conditions go on to say that a customer must not give their payment tools to anyone else or allow anyone else to use them.

Miss L shared her details with someone else, and that person used them to make the payments. I appreciate that Mrs L didn't give her permission to make the payments but am satisfied that by providing the information she is still liable for the disputed transactions.

I also understand that Miss L shared her details because she was being threatened. This is a matter for the police and something Miss L could have reported to them. Miss L could also have asked Barclays to block her account so that even though she'd provided her internet banking log-in details her account couldn't be accessed.

The outcome would be the same if I determined that the transactions were authorised. In those circumstances I'd consider Miss L's claim under the Lending Standard Boards Contingent Reimbursement Model Code (CRM Code). Under the CRM Code Miss L wouldn't be entitled to a refund if she didn't have a reasonable basis for believing she was making a legitimate payment. I don't consider Miss L met the standard required of her under the CRM Code to receive a refund as she breached the terms and conditions of her account and gave a third party log in details and access to her account.

Service

I'm uncertain why Barclays didn't fully investigate Miss L's fraud claim and advised her it couldn't re-open her claim. It seems to me that Miss L explained that she was the victim of a scam on 9 December 2021, but Barclays issued a summary resolution letter on 20 December and refused to look into Mrs L's claim further. Barclays may wish to explain its reasoning, but on the facts I have I'm not persuaded Barclays acted reasonably and believe this decision has caused Miss L unnecessary stress and inconvenience when she was already worried about the fact her account was overdrawn by nearly £2,000. In recognition of this, I'm provisionally minded to require Barclays to pay Miss L £150 compensation. I will consider any comments Barclays make in response to this provisional decision carefully as it may be that I've not been presented with all the evidence.

I'm really sorry to hear about what happened to Miss L and know she'll be disappointed with my provisional decision, but I can't reasonably ask Barclays to refund her lost funds.

Barclays responded to my provisional decision and said it agreed to pay £150 compensation, but Miss L didn't reply.

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.

Given that Barclays agreed with my provisional decision (set out above) and Miss L hasn't responded I see no reason to depart from it.

My final decision

Barclays should pay Miss L £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 18 October 2022.

Jay Hadfield
Ombudsman