

The complaint

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

What happened

Mr A says he was selling items online using social media and receiving money to his account. He doesn't accept he was acting fraudulently. The closure of his account and the marker is having a significant effect on him and his family.

Barclays said it hadn't made any mistake. It said that it had closed Mr A's account in line with its terms and conditions and had an obligation to report instances such as this to CIFAS. Mr A could access remaining funds of £89.47 in the account if he provided proof of ownership.

Our investigator didn't recommend that the complaint be upheld. Three people who had sent money to Mr A's account had reported being victims of a scam. They had all said that they were selling items online. And had been persuaded to send money to Mr A's account. An explanation had been that the person buying goods had overpaid using an electronic payment method and a refund was needed. The references for the payments appeared to support this.

Mr A in contrast had said that he had been selling goods online - for example trainers. And had received payment for these items. He had provided a series of online messages, invoices and screenshots of items. Many online messages weren't dated but the ones that were seemed to be dated after the payment Mr A said they referred to had already been made. The invoices were handwritten.

She said that there was a high bar for adding a CIFAS marker. But the evidence was that Mr A had received fraudulent funds into his account and was complicit in this. So, she thought it fair that the marker be added. For similar reasons she thought Barclays was entitled to close Mr A's account which could be done without notice where fraud was suspected. And it could decide whether or not to offer him an account.

Mr A didn't agree. He said that this wasn't a fair outcome. The allegation wasn't specific, and the explanation wasn't clear enough. He wanted another review and a referral to an ombudsman. He needed an account. He said that by the time Barclays had explained the issue a lot of the evidence had been lost as he had changed phones. He said that suspicion isn't enough here.

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 looked at the information Barclays received from other banks about three payments into Mr A's account in January 2021. Three different account holders at those banks reported they had been the victims of a scam. The circumstances were as our investigator says similar. And were all totally different to those described by Mr A.

Barclays noted that it had asked Mr A at the time for evidence to support him being entitled to the money. It either said he would need to show proof of sale and of receipt for goods that had been sold or if the money was a gift then proof the money was paid willingly. It reviewed the information Mr A provided at the time but wasn't satisfied with it.

I've looked at all the material Mr A had now sent to this service. He has provided an explanation for receiving this money. And shown pictures of the items he says he was selling at the time. However, as has already been pointed out the messages are either not dated or where they are don't tie up to the date of payment. For example, Mr A provides social media chat messages about the sale of footwear for £580. This is dated 31 January 2021. But the payment was sent to him on 30 January 2021 even though it didn't show on his bank statement until 1 February 2021, the next working day. In any event these messages don't establish that goods were actually received, that the people he was messaging were the people sending the money and so that he received the money legitimately.

I need to balance all this information in deciding what is most likely. And I consider that the weight of information supports that these funds were obtained fraudulently. Mr A clearly knew money was due into the account and he accessed this money in part before Barclays blocked the account. I consider he was a witting participant.

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 fraudulent funds into his account and didn't report this to Barclays at the time.
- He 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.

For the same reasons I consider Barclays had grounds to block his account and then to tell him on 1 March 2021 that it would be closed with immediate effect.

I appreciate what Mr A says about the difficulty of not having an account and his personal circumstances. But I don't have a basis to require Barclays to take any other action.

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 20 May 2022.

Michael Crewe
Ombudsman