

## **The complaint**

Mr M complains that Barclays Bank UK PLC held him liable for transactions on his account that he didn't recognise and lodged markers with fraud prevention organisations.

## **What happened**

Mr M became aware of a number of incoming and outgoing payments using his account that he didn't recognise. At the time he explained his Barclays banking app wasn't working and he was unaware of what was going on till sometime after these transactions were completed. Mr M received a notice from Barclays that they were freezing his account while they investigated the matter.

Barclays received several fraud reports from other banks about the funds received into Mr M's account and after investigating they closed Mr M's account immediately. Some remaining funds were recovered which were returned to the sending banks. Barclays believed Mr M had been involved in the movement of fraudulent funds and lodged markers with national fraud prevention services.

Mr M complained to Barclays and explained that he was asleep when the transactions were made using his account and he had nothing to do with the incoming funds or the merchant that they were all transferred to. The funds all went to a crypto currency merchant after a new payee was set up using Mr M's account.

Mr M confirmed he hadn't given his security details for his phone or his mobile banking password to anyone. He also confirmed he hadn't lent his phone to anyone and he still had possession of his debit card.

After Barclays investigated the complaint, they didn't change their position. Mr M remained unhappy and brought his complaint to the Financial Ombudsman Service for an independent review. It was looked into by one of our investigators who asked both parties for information about the complaint.

Mr M repeated his version of events and denied having anything to do with the incoming fraudulent funds or knowledge of crypto trading. Mr M said he was asleep at the time of the disputed transactions with his phone next to him. Mr M recognised that Barclays can close a customer's account.

Barclays provided details of the payments, their investigation, and the use of Mr M's mobile banking app. Our investigator thought it was reasonable for Barclays to close the account and lodge a marker against Mr M.

Mr M disagreed with the investigator's outcome and asked for a further review of his complaint which has now been passed to me for a 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.

Mr M accepts that Barclays can close a customer's account, what he's complaining about here is that they've held him responsible for the fraudulent transactions without a thorough investigation. Mr M maintains that he had nothing to do with the incoming or outgoing transactions that have since been identified as fraudulent.

Barclays received notifications that payments received into Mr M's account were the result of fraud. When they looked into what happened, they identified that a new payee had been set up using Mr M's mobile banking app. This was registered on his phone and that the new payee was confirmed using details from his debit card.

Barclays believed this was sufficient evidence to close Mr M's account and lodge markers with fraud prevention organisations, the principal one being CIFAS. As Mr M accepts Barclays can close his account, I don't need to consider their actions concerning this.

So, I've looked at how Barclays dealt with the account and whether they fairly followed procedures to lodge markers against Mr M.

In order to do that, Barclays are required to meet certain standards, the essential ones are:

- *"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; [and]*
- *The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police."*

Once Barclays received notification that incoming funds were from fraudulent activity, this was enough to believe they had reasonable grounds that a fraud or a financial crime had been committed or attempted.

The crux of this complaint is whether Barclays could satisfy the second aspect of the CIFAS rules and whether their evidence was such that they could confidently report the conduct of Mr M to the police (if they chose to).

Mr M has explained that his banking app wasn't available and that he was asleep when the transactions occurred. He's confirmed no-one else had access to his phone or knew the security details to access his phone or the banking app.

Barclays have provided evidence that Mr M's phone was used on numerous occasions over four days to move funds out of the account to the new payee set up using Mr M's phone and confirmed with details from his debit card. The transactions were done very early in the morning. Barclays evidence also shows that the IP address data was consistent throughout the disputed transactions and matched other undisputed transactions.

Note: IP addresses are a means to identify physical locations that online transactions are connected to and can be the actual physical location or other locations connected to the provider of the data services.

What that means here is that the evidence shows Mr M's banking app was available and being used regularly despite his belief it was out of service. It was also logging on from a location that Mr M had previously used. Because the security details issued to Mr M to access the banking app weren't known to anyone else, I think it unlikely that an unknown third party was able to regularly gain access to his phone in a room whilst Mr M says he was asleep, open the phone with security information known only to Mr M and then complete

various transactions – particularly over four different days for extended periods of time – all without him realising.

Taken together, I think it more likely than not that Mr M was responsible for making these transactions or enabling someone else to do them on his behalf. I also think that this information held by Barclays which they reviewed as part of their investigation met the standards laid down by CIFAS.

I appreciate Mr M believes Barclays didn't thoroughly investigate the issue, but I think Barclays acted reasonably when they lodged a marker with fraud prevention agencies based on the information they gathered about the transactions. In respect of the CIFAs marker, I'm satisfied they met the required levels of evidence and I won't be upholding this complaint.

### **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 M to accept or reject my decision before 28 August 2022.

David Perry  
**Ombudsman**