

## **The complaint**

Mr T is unhappy that Barclays Bank UK Plc haven't refunded him for transfers made from his account which he says he didn't authorise.

## **What happened**

Between 23 September 2021 and 24 September 2021, three online transfers totalling £1,448 were made from Mr T's bank account to an unrecognised third party. Mr T said he was using his mobile phone on 23 September 2021 before he went to bed, but it had stopped working the following morning. He discovered that funds had been removed from his account when he tried a pay a bill and his payment was declined.

Barclays declined Mr T's claim as they couldn't identify any compromise to his account or details which would allow a new beneficiary to be added from his banking app. They explained doing so would require knowledge of his phone password, mobile banking passcode and card details. And since Mr T told them that he hadn't divulged these details and he hadn't noticed anything unusual leading up to the transactions, they wouldn't be refunding him.

Mr T was also unhappy that Barclays didn't respond to his claim within the timescales given and his direct debits weren't paid when he was told they'd be honoured while the claim was ongoing.

Barclays accepted they didn't contact Mr T regarding his claim as quickly as they would've liked and there was a short delay. They agreed they were unclear about the direct debits, and they should've explained the direct debits would be paid if there were sufficient funds available. They apologised and offered Mr T £25 compensation.

Unhappy with this, Mr T referred his complaint to our service. Our investigator thought that Mr T had authorised the disputed transactions so felt Barclays acted fairly in holding him liable. He asked Barclays to increase the compensation amount from £25 to £100 for the delay in dealing with Mr T's claim and the impact caused by the unclear information given.

Barclays agreed with the investigator's recommendations. But Mr T disagreed and asked for an ombudsman to review his complaint.

## **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.

Under the relevant rules, Barclays can hold Mr T liable for the disputed transactions if the evidence suggests that it's more likely than not that he made or authorised them himself.

I've looked at the technical evidence provided by Barclays. It shows that Mr T's account was accessed using the same mobile phone device used to log on to the account and carry out

genuine activity. It also shows that the access to Mr T's mobile banking app was made by passcode. So, I'm satisfied the disputed transfers out of Mr T's account were authenticated.

But this alone isn't enough to say that Mr T is liable for the transactions. I also need to be satisfied that based on the evidence, it's likely that Mr T made the transfers himself or otherwise authorised them.

As explained above, I'm satisfied the disputed transfers were carried out on Mr T's genuine mobile phone device. This must mean that whoever made the transactions needed access to both Mr T's mobile phone and his online banking credentials.

Mr T has confirmed that he was using his mobile phone device before he went to bed on 23 September 2021, so it was still in his possession when the disputed transactions were carried out. He accessed his banking app using a passcode which he has told us no one else but him knows. He hasn't written it down anywhere as he knows it by memory. He also knows his card details which hasn't been written down anywhere. He says that no one else has access to his card apart from his wife.

He also doesn't have any recollections of any phishing calls, emails, text messages or voicemails around the time of the disputed transactions asking for his information. He said he received a suspicious text message regarding a delivery, but this was after the disputed transactions took place. He can't recall downloading anything on his mobile phone or installing any apps from the app store. He didn't notice anything unusual with his mobile phone and it was performing as expected until the morning of 24 September 2021. He's also told us that he wasn't tricked into making these transfers by a scammer.

Given what Mr T has told us, it's difficult to understand how anyone else could've carried out the disputed transactions without his authority, as from what he's said, he had his phone in his possession and no one else but him knew his online banking credentials.

Mr T believes that his mobile phone may have been hacked. I've thought about this, but I don't think it's very likely. I say this because Mr T has explained the mobile phone repairer said there was an update issue with his mobile phone which was resolved with a factory reset. There was no suggestion of a possible hack or compromise of his mobile phone, so overall, I don't think there's sufficient evidence to show that Mr T's mobile phone was hacked.

In any case, even if Mr T's mobile phone was somehow compromised, it still doesn't explain how the fraudster discovered Mr T's passcode to access the banking app.

The online banking audit report shows that the transfers were completed from the same IP address that Mr T used prior to, and after, the disputed transactions. It's also the same IP address Mr T used to register his new mobile phone with Barclays. I think it's unlikely that a fraudster would've carried out the transactions from Mr T's location.

The first disputed transfer was completed at 11.14pm for £400 on 23 September 2021. The second disputed transfer didn't take place until 12.20am for £800 on 24 September 2021. The third disputed transfer took place a minute later at 12.21am for £248.

I don't think it's likely that a fraudster would wait for over an hour after the first transaction to transfer out more funds from Mr T's account. If a random third party had full access to Mr T's account, I think they'd act more quickly to move money out of the account and maximise gain before Mr T could discover the fraudulent activity and place a block on the account.

Taking everything into account and on balance, I think the evidence points to Mr T having authorised the transfers. So, I don't think Barclays acted unfairly in holding him liable.

Barclays have already accepted they gave Mr T unclear information about his direct debits, and they didn't contact Mr T about his claim as quickly as they said they would. They apologised for the poor service given to Mr T which is what I'd expect them to do.

I've considered the impact of these customer service issues on Mr T to decide a fair amount of compensation. Like the investigator, I don't think Barclays' offer of £25 compensation goes far enough to reflect the distress and inconvenience caused to Mr T.

Mr T has told us that he wouldn't have been able to make funds available if Barclays had given him clear information about the direct debits. So, Mr T would've still missed his direct debit payments even if Barclays were clearer. Mr T had to contact all the merchants to explain what had happened, but he would've still had to take these steps as he didn't have the funds to pay the direct debits.

That said, Mr T has explained that he was caused stress and inconvenience by the customer service issues he's experienced. I agree it would've been frustrating and worrying for Mr T to be given incorrect information. He also had to chase Barclays to request for updates as he wasn't contacted within the timescales given. I think this would've caused him unnecessary frustration and inconvenience.

Taking this into account, I think £100 is a fair and reasonable amount of compensation under the circumstances.

### **My final decision**

For the reasons explained above, my final decision is that I uphold this complaint and require Barclays Bank UK Plc to pay Mr T £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 6 January 2023.

Ash Weedon  
**Ombudsman**