

The complaint

Mr V is unhappy that Barclays Bank UK PLC closed his bank account and applied a fraud marker against his name.

What happened

Mr V says that he was at a family gathering at his home when he wanted to buy some presents for one of the children. As he wanted the child to buy the gift themselves, he handed over his Barclays bank card. As well as this, he provided his mobile telephone and opened his mobile banking application for them to use.

The following day, Mr V says that he realised his account was in debt as transactions had been carried out above the balance in the account. He later contacted Barclays to query this and was informed that his account was being closed and he'd have to pay off the outstanding balance owed.

When Mr V questioned Barclays as to why it had decided to do this, it informed him that he'd misled the bank and had carried out reversals on the payments falsely. Mr V told the bank that he hadn't carried out the reversal requests; this was done by the child he'd given access to his card and telephone.

Barclays considered Mr V's claim but felt it was unlikely to be the case. It remained of the opinion that his accounts were closed correctly and decided to load his details onto the Cifas database: a fraud prevention agency.

Mr V was unhappy with this, so he contacted our service to carry out an independent review. An Investigator considered the evidence and testimony provided by both parties, but felt that the account closure and Cifas loading were fair in the circumstances. Broadly, he felt that Mr V's testimony portrayed events that he didn't think were likely. And as refund requests were made for items Mr V had decided to keep, he felt the test had been met to load a Cifas marker and close the account.

Mr V disagreed with the Investigator as he maintained that the refund requests were carried out by a third-party, and he had no knowledge of them until after the event. He also felt Barclays could have identified the multiple refund requests as unusual sooner and declined them.

As Mr V disagreed with the Investigator's assessment, the matter has now been passed to me for a final 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.

Recording of the Cifas marker

One of the relevant considerations here are set out by Cifas: the fraud marker database controller. In its Handbook—which members must adhere to when loading markers—it sets out the burden of proof the member must meet. The relevant standards regarding this complaint are:

1. That there are reasonable grounds to believe that a fraud or financial crime has been committed or attempted.
2. That the evidence must be clear, relevant and rigorous such that the member [Barclays] could confidently report the conduct of the subject [Mr V] to the police.

Barclays has said that these standards have been met in that Mr V was knowingly submitting false disputes regarding legitimate transactions that had been made on his account.

Mr V contests this and says that he was not responsible for the dispute claims, as these were carried out by a family member he'd handed over control of his mobile banking and card to.

Having considered the evidence and testimony available, I have concluded—on the balance of probabilities—that Barclays has demonstrated it has met the bar to load the marker against Mr V's name and close the account.

I would like to begin by reassuring both parties that my findings are not designed to make any accusations against Mr V. They are instead to weigh up the all the evidence available in this case and present what I find to be the most likely scenario here. I was not present during the events that took place, so I can't be certain what happened.

Mr V has told our service that he'd given a young family member access to his bank card to buy a gift for themselves online. He also provided them with his mobile banking application on his phone to allow for any approval that was required for purchases. Once several purchases were made, Mr V says that his family member then began disputing the purchases using the online chat function of his mobile banking application without his knowledge.

Considering the age of the child/children Mr V has told us his family member was, I find this to be an unlikely scenario. His family member was in their early teens and therefore would likely have been unfamiliar, not only with the functions of online banking, but how to dispute transactions and request a temporary reversal. I also find it compelling that Barclays has provided our service with evidence that Mr V was familiar with this process and had previously made a substantial number of dispute claims and requests for temporary reversals; some of which he provided no evidence or reason to support his claim. These were also in relation to the same merchants that had been paid as part of this dispute.

Mr V has also changed elements of his testimony several times over the course of his complaint. Having listened to the calls between Mr V and Barclays, Mr V originally claimed that the transaction was carried out by his son. When challenged regarding the implausibility around his age in comparison to his sons, Mr V then changed this to his nephew. He's also been inconsistent around the age of the child/children that had carried out the payment reversals with ages ranging from 11 to 16 in different conversations with the bank.

Furthermore, Mr V was asked about the funds that had entered his account prior to the disputed transaction carried out by his family member. Initially, Mr V claimed that was a

person he knew well and provided their first name. Later, Mr V changed this first name in correspondences to a different one he'd originally given.

While I realise that mistakes can be made, and Mr V may have an innocent explanation for these numerous inconsistencies, I do place weight on this and deem it to diminish the reliability of his version of events.

Lastly, the transactions and disputes raised were carried out between 16:48 on 11 December 2020 and 14:34 on 12 December 2020. I find it unlikely that Mr V would have given his phone and bank card to a family member for such a lengthy period of time to buy a present.

Overall, when taking into account all the above factors in combination with each other, I find it more likely than not that Mr V raised these disputes himself. And as the transactions were authorised, and Mr V has told our service that he received the services paid for, I find it reasonable that Barclays interpreted these disputes as fraudulent in nature and loaded Mr V's details to the Cifas database.

Mr V has argued that it's irrelevant who carried out these reversals as Barclays breached its own terms and conditions by allowing so many disputes to go through without questioning them: but I don't agree. Barclays has a responsibility to investigate and deal with claims that a customer makes where they don't recognise or dispute a payment made on their account. If a customer raises a dispute knowing that the transaction was legitimately made and the services received, this does give it reasonable grounds to believe that a fraud or financial crime has been committed or attempted, as this is a misrepresentation to the bank.

Account closure

Businesses have the right to close a customer's account, as long as this is done so fairly and in line with the terms and conditions of the account or any relevant law and regulation.

In Barclays' terms and conditions, it sets out that it can close a customer's account immediately if it has reasonable grounds for thinking a customer has provided false information or has committed, or attempted to commit, fraud against it.

As I've already highlighted above, I'm persuaded that Mr V was likely the party raising the dispute claims against payments that had been legitimately made on the account, and this presented a risk to the bank. I therefore find that Barclays were reasonable in closing Mr V's account regardless of notice given.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 15 March 2023.

Stephen Westlake
Ombudsman