

The complaint

Ms B is unhappy that Barclays Bank UK PLC refused to refund the losses resulting from some transactions made through her accounts which she says she didn't authorise or otherwise consent to. Also that the bank unfairly closed her accounts and registered a CIFAS marker against her.

What happened

The circumstance that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Ms B says she didn't authorise or know anything about 65 transactions that passed through her two Barclays current accounts between 2 March and 13 July 2020. Over £25,000 was paid in and more than £36,200 was paid out.
- Barclays investigated the disputed transactions and concluded that all the outgoing payments had been made by Ms B. In August 2020 it decided to close her accounts with immediate effect and reported a CIFAS marker to the National Fraud Database. After a subsequent review, in December 2020 the marker was removed and £200 compensation offered to Ms B. But she didn't accept, and asked us to look into the matter
- Our investigator didn't think Barclays had done anything wrong. But Ms B disagreed, so the case has come to me to review.

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.

Ms B has made detailed submissions which include that this service hasn't sufficiently addressed all of her questions and concerns. I appreciate her strength of feeling, but I'm not required to respond to each and every question and this includes explaining exactly what each piece of data on the bank's records relating to her mobile banking means. I've concentrated on the main issues and what I believe to be the crux of the complaint and have explained what I believe the bank's records do and do not show. If I haven't commented specifically on a particular point, that doesn't mean I haven't considered it.

Having done so, I've reached the same conclusion as our investigator, for much the same reasons. I'll explain why.

The disputed transactions

In accordance with the Payment Services Regulations 2017 (PSRs), Ms B isn't liable for payments she didn't authorise, unless she failed with gross negligence or intent to comply with the terms of the account or keep her personalised security details safe.

I've considered whether Ms B likely authorised the transactions that've been disputed – that

is whether she completed the agreed steps to make the payments or gave consent for someone else to complete them. And where there's a dispute about what happened, I've based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Given everything I've seen, I think it's more likely than not Ms B – or someone acting on her behalf, with her permission – undertook the disputed transactions. I say that having taken the following, in particular, into account:

- Ms B has suggested that a man she met on a dating website, chatted with for a few months and saw in person briefly on one occasion might somehow be involved with the disputed payments. She hasn't shared with this service any of the communications she had with this individual. But she's highlighted that he had a number of aliases and his given surname was used as a reference for a number of the disputed transactions. It's not uncommon for fraudsters to use dating websites to make contact with potential victims. The fraudsters often spend time building rapport and trust before asking the victim to make and receive payments for them. But that isn't what Ms B has alleged in this particular case. She has maintained throughout her contact with the bank and this service that she never disclosed any information about her accounts or her debit cards to anyone, including this particular individual. Nor did she share her online banking credentials with anyone. And this individual wasn't given access to her phone during their one face-to-face meeting. In the circumstances, I can't see how this particular individual would've been able to perpetrate fraud using Ms B's accounts without her knowledge or consent.
- The earlier disputed outgoing transactions were faster payments and I'm satisfied Barclays' records indicate these were carried out using the banking app on Ms B's own mobile phone. And there are many instances where Ms B's account has been accessed through the bank's mobile banking app using her phone. Some of those logins are made from IP addresses that tie in with some of the disputed online/cardholder not present debit card payments. I've also heard a phone call in which Ms B told the bank she had a password lock on her phone and her banking app could only be accessed via password or fingerprint. She also says no-one else had access to her phone or her login credentials during the time the disputed transactions occurred. And there's nothing which suggests a point of compromise at which a third party could have somehow hacked into her phone and/or guessed her login credentials. In all the circumstances, I can't see how an unknown third party could have performed these transactions without Ms B's knowledge and/or consent.
- Ms B still seems to be somewhat confused about which debit cards were used to undertake which disputed transactions. I don't mean this as a criticism and think the confusion has likely arisen due to the letters the bank sent her – it wrote to her on both 6 June and 11 September 2020 to say that card ending 6012 had been cancelled. But the September letter only quoted transactions that occurred between 13 April and 24 May 2020 and I haven't seen a similar letter for card ending 0012. But I have seen the bank's records relating to the individual disputed transactions and the various debit cards issued on Ms B's two current accounts and can confirm the following. Debit card ending 4028 was issued on account ending 3939 in 2019 and was active until the account was closed. Debit card ending 6012 for account ending 5832 was issued in January 2020 and was cancelled on 4 June 2020 and there is no evidence that any transactions were made using this card after that date. Card ending 0015 for account ending 5832 was posted to Ms B on 6 June 2020, all the disputed card transactions after this date were made with this card and the card was cancelled when the account was closed. I also note there was a three-week gap between 25 May and 15 June when no disputed payments occurred.

This coincides with the date when the debit card was cancelled and the replacement issued. And I note there were still many instances over this period of time when Ms B's mobile banking facility was logged into.

- Ms B's recollections of events relating to her debit cards seems to have changed over time. At one point she seems to suggest that she didn't receive a replacement card. But I've heard her say in a phone call with the bank that she did receive this. Another time she said she was told to surrender a card at the branch in early-July and asks how the subsequent disputed card payments were made – but she didn't mention this in her initial "complaint statement" to this service. And alongside the disputed payments in July, there are also debit card payments using card ending 0015 of the more everyday type (groceries etc) made at shops local to Ms B's home and which she had frequented in the past.
- The disputed debit card payments are interspersed with more everyday spending – at locations close to Ms B's home – using the same cards and which Ms B has not disputed having made. She says she didn't give her debit card details to anyone else and I can't see any point of compromise where these details might have fallen into the hands of a fraudster. In all the circumstances, I'm satisfied it's more likely than not the three debit cards referenced above were received and used by Ms B.
- Barclays' records indicate Ms B called on 4 June 2020 but unfortunately, due to some systems changes, it doesn't have a recording of that call. The notes suggest Ms B reported that two recent cardholder not present transactions were fraudulent and that she'd call back once they appeared on her bank statement to raise a fraud case – they were detailed on the June 2020 statement. The call-handler arranged for a "Lost & Stolen" marker to be applied to the debit card that was used for these two payments (card ending 6012) and arranged for a new debit card to be issued (card ending 0015). The bank's notes don't show a further call with Ms B about these two disputed payments but notes from 7 July 2020 indicate the bank had decided to refund the two transactions which totalled just £150.60. And on 12 July 2020 this same amount was credited to her account and the bank wrote to Ms B to confirm card ending 6012 had been cancelled and quoting those two disputed transactions only. It's not clear to me how if Ms B spotted these two allegedly unauthorised, pending transactions, she didn't also notice, and report to the bank, the other 43 disputed transactions that came into and went out of her account between 2 March and 3 June 2020. Barclays' records indicate Ms B called the bank again later in June to talk about the possibility of merging the two overdrafts she held on her two current accounts and the financial difficulties she was experiencing. She seems to have told the bank that she was seeking help from a well-known debt charity who would soon be in touch with a repayment offer. But none of these notes talk about any of the 65 disputed transactions. The bank's notes aren't entirely clear but it seems these were identified after it proactively blocked Ms B's account, which I will talk more about below.
- There's been some uncertainty about when Barclays blocked Ms B's accounts. Ms B says she received a text message from Barclays on 5 July 2020 saying there was unusual activity on her account. And, when she visited the branch the next day, she was told there were limits as to what she was allowed to withdraw from her account and she wasn't allowed to view the account balances. But Barclays says it has no records of a branch visit on that day. Its records show Ms B logged onto her mobile banking app that day. And I can't see any withdrawals being made on 6 July. But I can see notes on Barclays' records from 10 July 2020 which say an account block had been added and a text sent to Ms B about this. I think this is important because the last payment Ms B has disputed was made on 10 July 2020 (although it didn't appear on her account statement

until 13 July). So I don't agree with Ms B's assertion that Barclays allowed any of the disputed payments to go through after the account block had been applied. And I've already explained the position with Ms B's various debit cards. Having considered all of the evidence, I don't think a block was (or ought to have been) applied any sooner than 10 July 2020.

- I've already commented in part about Ms B not noticing the 65 disputed transactions for some time – in total the alleged fraud took place over 4 months. Ms B says she didn't check her account activity or bank statements during that time. She merely logged on and checked the account balances to check she had enough to pay for items, like groceries. I think it's important to note that Ms B says she was in financial difficulties at this time, having lost her job in early-2020, around the time the pandemic lockdown started. I also note that money was moved (via both standing order and ad hoc payments) between her savings and current account over the course of this four-month period. She says she received regular credits from some individuals, but also ad hoc credits from others. For example, on 27 April, three payments came into one of her current accounts from three different people – these payees don't appear otherwise on the statements I've seen. The three payments totalled £900, haven't been disputed and one had a reference of "loan". Some of the disputed outgoing payments are relatively large and, without them, there wouldn't have been enough in Ms B's account to make the outgoing payments. In all the circumstances, I find it somewhat difficult to accept that Ms B wasn't keeping a closer eye on her accounts and didn't notice the disputed payments for some considerable time.

Ms B suggests that Barclays should have queried the larger disputed transactions and she points, in particular, to some long-standing guidance about protecting consumers from financial harm. I agree that Barclays should have systems and controls in place to enable it to monitor accounts and payments in order to counter various risks, including money laundering, the financing of terrorism, and fraud and scams. And sometimes it should take additional steps/make additional checks, before processing a payment or decline a payment altogether to help protect customers from the possibility of financial harm from fraud. I think unusual patterns of transactions did start to form at certain times which perhaps should have prompted intervention from the bank. But, in this particular case, given what Ms B has told us and what I've said above about Ms B having authorised all the outgoing payments, I can't see why any intervention the bank might've made would have stopped the payments from going through.

Given that I think Ms B authorised the transactions I don't think it's likely any recovery action – such as contacting the receiving banks or attempting chargebacks – would likely have been successful.

I understand Ms B complained to at least three other financial businesses about other disputed transactions on her accounts that took place around the same time as these one on her Barclays account. And at least one of those businesses awarded refunds. But I must base my decision on the evidence that's available in this particular case.

The account closures and CIFAS marker

The terms and conditions of Ms B's accounts allow the bank to close them immediately in certain circumstances. I don't think Barclays acted unreasonably when it did so, given the activity on the accounts.

I understand Ms B's account balances were all combined prior to closure – which is standard procedure – and this left her owing the bank money, but it suspended collections activity while awaiting the outcome of this complaint. Given what I've already said, I'm satisfied the

debt is fairly owed and I urge Ms B to contact the bank to arrange a mutually acceptable, and affordable, repayment plan. I also urge Barclays to treat Ms B positively and sympathetically when handling this matter.

Barclays removed the CIFAS marker in December 2020 but I think, given all the available evidence, that it was fairly reported at the time. Ms B may well have experienced difficulty opening a new account with another provider, but I can't hold Barclays responsible for the decisions made by those other providers. I think £200 compensation is more than generous in the circumstances. So far as I know, this money hasn't yet been paid by Barclays, because Ms B refused the offer and didn't provide bank details when we asked for them so that payment could be made. Barclays has confirmed the offer is still available and if Ms B now wishes to accept then she should contact Barclays direct.

In all the circumstances, I can't fairly conclude that Barclays has done anything wrong.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 9 April 2023.

Ruth Hersey
Ombudsman