

## **The complaint**

Mr M complains that Barclays Bank UK PLC (“Barclays”) failed to refund a transaction he didn’t recognise.

## **What happened**

### *What Mr M says*

Mr M reported a transaction to Barclays that he didn’t recognise. This payment, made to a money transfer merchant who I’ll refer to as W was for £2,336.72. Mr M held an account with W and used them to regularly send money abroad.

Mr M had an issue with another payment linked to W and said he didn’t notice this payment, accounting for the delay in notifying Barclays about the situation. Mr M had gone to W about the payment and advised him to raise it with his bank.

Mr M denies making the payment and had a number of questions, some of which related to W’s operation of his account.

Mr M raised a complaint with Barclays when they declined to refund him and then brought his complaint to the Financial Ombudsman Service when Barclays wouldn’t change their position.

### *What Barclays say*

Barclays looked into the payment when Mr M raised it with them. Their assessment was that he was responsible, based on the audit data linked to the payment. There was no evidence of compromise of Mr M’s payment devices or his debit card.

### *The investigation so far*

Mr M’s complaint was assigned to an investigator who asked both parties for information about the situation. Mr M was able to say that:

- He didn’t authorise the payment
- He was unaware who the payment was made to (via W).
- He had questions for W about the payment.

Barclays supplied data about the payment and account details including:

- Logins to Barclays Mobile Banking (BMB)
- Registered devices for BMB used by Mr M.
- Payments made using BMB.

- IP address data linked to the use of BMB.

After reviewing the evidence, the investigator didn't uphold Mr M's complaint, commenting that:

- The evidence showed it was likely Mr M who made the payment.
- "Trust Anchor" was used to confirm the payment.
- Mr M's registered device was used to make the payment.
- Funds were left in the account which wasn't typical for a thief to do.
- There was no obvious compromise of Mr M's device.
- It took nearly a year to report the transaction which was felt unusual.

Mr M disagreed with the investigator's outcome and said:

- He believed that Barclays were trying to exonerate W at his own expense.
- He denied using his BMB whilst abroad.
- He couldn't have received the additional message to confirm the payment whilst abroad.
- His mobile banking phone was different to that referred to by Barclays and the investigator's report.
- He noticed the payment about six months after it had taken place.
- Mr M was abroad at the time visiting family.
- No one called him to authorise the payment (which Mr M believed was claimed by Barclays).
- Further questions related to W's operation were raised.

As no agreement could be reached, the complaint has now been passed to me for a decision.

Note:

Trust Anchor refers to a further step in the process used to authorise a payment and is an "in-app" function. This function operates inside the BMB and requires it to be opened using the appropriate security credentials and the payment confirmed with the banking passcode.

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 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.

The relevant law surrounding authorisations are the Payment Service Regulations 2017. The basic position is that Barclays can hold Mr M liable for the disputed payment if the evidence suggests that it's more likely than not that he made it or authorised it.

Barclays can only refuse to refund unauthorised payment if it can prove Mr M authorised the transaction, but Barclays cannot say that the use of the card and online payment details conclusively proves that the payment was authorised.

Unless Barclays can show that consent has been given, it has no authority to make the payment or to debit Mr M's account and any such transaction must be regarded as unauthorised. To start with, I've seen the bank's technical evidence for the disputed transaction. It shows that the transaction was authenticated using the payment tools issued to Mr M. I'll now need to consider the information provided by both parties to determine whether there's sufficient evidence to hold Mr M responsible for the disputed transaction or not.

Put simply, Mr M denies being responsible for the transaction to W, whilst Barclays believe he was the one who made it.

Mr M says he never used his phone or BMB whilst abroad, but Barclays evidence shows that not to be the case. IP address data shows that Mr M's phone, registered with BMB was used whilst visiting with his family. There are multiple logons to his BMB, and other undisputed payments made using his BMB in the same location.

There's no evidence of a third party being involved or that someone knew about the BMB and had access to Mr M's phone and various passcodes to use it. So, it seems unlikely that the answer here is that an unknown third party is responsible for the payment.

Barclays further stated that the payment used the "trust anchor" function to complete the payment process. As this requires the use of the BMB and knowledge of the Barclays passcode, it seems unlikely anyone else was responsible. Mr M's assertion that he couldn't receive a message or that someone called to authorise the payment isn't reflective of what happened. There was no external message or call, only an action carried out within the BMB itself – again tied to Mr M's registered device.

Some of Mr M's complaint relates directly to W. As this isn't something I can consider in a complaint against Barclays, I won't be commenting further about those particular issues. Mr M is free to raise the problem with W and if he fails to receive the appropriate response, he can then bring his complaint to our service.

Overall there's no evidence that Mr M's device or account was compromised. The only data available shows Mr M's registered device was used to confirm the payment to W after his card details were used to initiate the payment. All these actions took place in the same location Mr M was visiting at the time.

While I'm sure Mr M will disagree with me, the evidence that I've considered leads me to the conclusion that, on the balance of probabilities, it was more likely than not that Mr M authorised the payment he later disputed. So, taking everything into account, I think it is fair and reasonable for Barclays to hold Mr M responsible for this transaction.

### **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 15 March 2024.

David Perry  
**Ombudsman**