

The complaint

Mr K has complained that Barclays Bank UK PLC won't refund transactions he says he didn't make or otherwise authorise.

What happened

In spring 2023, a series of card transactions were made from Mr K's Barclays account to a social media platform over the course of about a month, totalling around £21,000. The payments were funded by various credits including frequent cash deposits into the account.

After the payments finished, Mr K reported them as fraudulent. He said he'd been checking his online banking during the month, but hadn't seen the disputed payments earlier. He confirmed he had his phone with him the whole time, and he hadn't downloaded any new software. His card was also with him, he hadn't lost it, and he hadn't given it or his security details to anyone else. He confirmed that the credits into the account were made by him.

Barclays held Mr K liable for the payments in dispute, as they'd been made using his correct card details, at his usual IP addresses, with most requiring one-time passcodes sent to Mr K's mobile; and he'd been consistently checking his account while the payments were going on but he didn't report them until afterwards.

Mr K came to our service. He now denies logging into his online banking at all during the period. He says the payments can't have been him, as he was travelling for work, though when asked for evidence of this job or travel he didn't provide any. He also denies making the credits into the account.

Our investigator looked into things independently and didn't uphold the complaint. Mr K's representatives asked for an ombudsman to look at things afresh, so the complaint's been passed to me to decide.

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.

Broadly speaking, Barclays can hold Mr K liable for the payments in dispute if the evidence suggests that he authorised them.

I'm satisfied from Barclays' technical evidence that the payments in dispute used Mr K's genuine card details, along with many one-time passcodes which were sent to Mr K's registered mobile phone and then entered to confirm the payments. So I can see that these transactions were properly authenticated. The question, then, is whether the evidence suggests that it's most likely Mr K consented to the transactions, or not.

Mr K still uses the same mobile phone number now. He confirmed that he had his phone with him throughout the period of the disputed transactions and hadn't downloaded any new software. And I can see from the technical data that the one-time passcodes were sent to his registered phone by SMS. So I'm satisfied that he would have received the many one-time passcodes sent to him. The passcodes were entered to authorise the disputed payments. It's not likely or plausible that someone could use Mr K's phone hundreds of times, over the course of over a month, without Mr K's consent and without him ever noticing. But it does fit well with the possibility that the payments were authorised.

There is no evidence of any third-party or unauthorised access to Mr K's devices or online banking. And many of the disputed payments were made from the same IP addresses Mr K used to carry out his genuine online banking activity both before and after the alleged fraud. So they were made from the same internet connections that Mr K usually used, such as his home. This is consistent with the payments being made with Mr K's consent.

Barclays did message Mr K, at the same mobile number he uses now, to check that this spending was genuine. Mr K confirmed that it was.

While this is a more minor point, I might've expected a thief to try to take as much money as possible, as quickly as possible, before the fraud is discovered and the account is blocked. Yet here, the payments were made over the course of over a month, much more slowly than they could have been.

Mr K checked his online banking frequently throughout the period of the disputed payments. I'm reasonably satisfied that this was Mr K, as he did so on the same device he used before and after, at IP addresses he normally used before and after, using his security details, and verifying himself either with his card and PIN in a reader, or by using a code generated by the app on his registered phone. Again, his card and phone were in his possession and did not get lost, and it's unclear how anyone else would have known his PIN or online security details. So I find that Mr K was reasonably aware of the disputed payments at the time – he would have been able to see them, along with the drastic differences in his balance – each time he checked his account. Yet he didn't tell Barclays anything was wrong until after the payments finished, over a month after they'd started. It's not likely or plausible that Mr K would wait so long to report the disputed payments if they were made without his consent.

The disputed payments were interspersed with genuine spending of Mr K's. This includes a takeaway order Mr K made just minutes before a disputed payment to the social media platform, by the same method as the disputed payment. This is unlikely to be a coincidence. It's more likely that Mr K made both payments by the same method at a similar time.

When the disputed payments brought Mr K's balance low, he would check his account, then shortly afterwards – often within the hour – his account got topped up with credits, most often from cash deposits made at his local Post Office. Mr K initially confirmed this was him. But if that's the case, that would strongly indicate that he was aware of the disputed payments and was actively funding them himself. Mr K now says he didn't make the credits. But aside from the fact that this directly contradicts his previous testimony, and aside from the fact that it's neither likely nor plausible that a fraudster would pay a five figure sum to their victim, that would mean that Mr K would be ineligible to claim a refund of the majority of the disputed payments anyway – as by his own admission, they would've been funded by money that wasn't his in the first place.

As noted above, Mr K's testimony has been concerningly unreliable. Where before he was clear that he made the credits into his account, and he gave clear reasons for making them, he now claims no knowledge of them. Before, he confirmed that he was checking his online banking, but he now denies checking it at all, despite the substantial evidence that it was him logging in. He now says he couldn't have made the disputed payments as he was travelling for work. But he was unable to provide any evidence of this work or travel, he didn't receive any salary payments and was instead on benefits, and I can see he was still in his local area as he continued to do his usual in-person spending using his physical card, such as at his local supermarket. This makes it very difficult for me to rely on Mr K's testimony.

It is important I note that Mr K had an almost identical issue with his other bank just before this. Payments of similar amounts and frequency, made in the same way, went to the same social media platform, for a similar amount of time. Indeed, those payments stopped just as these ones started. We investigated those payments separately and found the following:

- Mr K funded them by transfers from his savings, done using his registered mobile phone and his biometrics.
- There was no likely or plausible way that someone had his security credentials.
- The payments were made from IP addresses which Mr K consistently used for his genuine activity beforehand and afterwards.
- Mr K frequently checked his account during the period, but didn't report the payments until after they'd finished.
- Mr K was sent a text about the spending and confirmed it was genuine.
- Mr K called the bank and confirmed his spending to the social media platform was genuine. We listened to that call, as well as Mr K's call with our service, and were satisfied that this was Mr K.

Given the sheer weight of evidence that Mr K authorised those payments, it strongly supports that he most likely authorised these nearly-identical payments too.

Finally, I've not seen any evidence that makes it seem implausible or unlikely that Mr K could've authorised these payments or given someone else permission to make them.

So based on the evidence at hand and the balance of probabilities, there is no likely or plausible way that the disputed payments were made without Mr K's consent. The evidence strongly substantiates that Mr K authorised them. And so it's fair for Barclays to decline a refund in this case.

Mr K's representatives argued that Barclays should've blocked the payments. But I don't see that they needed to. The payments were authenticated properly by their genuine customer using his genuine card details at his usual IP addresses, were verified by texts sent to his genuine mobile number, and were going to a well-known company. The customer was actively monitoring the account. And when both Barclays and the other bank contacted Mr K, he confirmed the spending as genuine. So I don't see that there were any obvious reasons for Barclays to think these transactions were not genuine. Further, the starting point in law is that banks are expected to process payments which a customer authorises them to make – and I've found here that Mr K authorised these payments.

Lastly, I understand Mr K is unhappy that Barclays didn't do a chargeback. Chargebacks are voluntary, so Barclays didn't have to do one. And while I generally consider it to be good practice to try one, that's only if it has a reasonable chance of success. Here, the evidence strongly substantiates that Mr K authorised these payments. So there was not a reasonable chance of success in trying to charge them back as unauthorised. Further, it would not be fair or reasonable for me to require Barclays to attempt a chargeback when they have such strong evidence that the reason for the chargeback is untrue.

My final decision

For the reasons I've explained, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 February 2024.

Adam Charles
Ombudsman