

The complaint

Miss D complains that Barclays Bank UK PLC (Barclays) won't refund withdrawals from her account which she says she didn't authorise.

What happened

Miss D opened an account with Barclays in September 2022. She deposited £8,000 cash savings, which she says was largely made up of gifted funds from the recent birth of her daughter – as well as her own birthday. She withdrew £1,000 from a different branch, later that same day, to loan to her sister.

In early October 2022, Miss D requested a new card and PIN for her Barclays account. She says this is because her daughter lost her card and she is on medication which affects her memory. Around a week later, Miss D deposited a further £1,880 in cash. She says her mother gifted this to her to book a holiday.

A week or so later, Miss D says she received a call from Barclays and found out the following withdrawals had been made from her account:

Date	Amount	Transaction type
13/10/2022	£20	ATM withdrawal
14/10/2022	£1,000	Assisted service device (ASD) withdrawal
17/10/2022	£1,000	Branch counter withdrawal
18/10/2022	£250	ATM withdrawal
19/10/2022	£1,000	Branch counter withdrawal
19/10/2022	£250	ATM withdrawal
19/10/2022	£50	ATM withdrawal
20/10/2022	£3,000	Branch counter withdrawal
20/10/2022	£250	ATM withdrawal
21/10/2022	£1,000	ASD withdrawal
21/10/2022	£1,000	ASD withdrawal
21/10/2022	£10	ATM withdrawal
21/10/2022	£50	ATM withdrawal
21/10/2022	£240	ATM withdrawal
Total	£9,120	

Barclays held Miss D liable for the transactions, so she complained. She said she hadn't made them as she hadn't received the card or PIN. She provided records showing she had been in hospital for some of this period. Barclays paid her £50 compensation for a delay sending her a new PIN following the dispute, but otherwise maintained its position.

Unhappy with Barclays' response, Miss D referred her complaint to our service. Our investigator upheld it. They were persuaded a third party could have intercepted the card and PIN from Miss D's shared mailbox area – which she said post had gone missing from before. They thought the third party could also have got hold of the further security details needed to complete some of these transactions. Such as obtaining Miss D's date of birth due to her holding a birthday party in the building a few months prior, or from medical letters she was sent.

Barclays appealed the investigator's outcome, citing the following points:

- When Miss D originally reported the transactions as unauthorised, she said she hadn't ordered a new PIN when requesting a new card. But its records confirm she did.
- It questions the timing of the request for a new card and PIN, given how recently the account had been opened. As well as the timing of the significant cash credits shortly before the disputed transactions.
- There were also credits paid into the account, from another bank account Miss D holds, on 14 October 2022 – matching the withdrawal amount that day. It thinks this suggests they were made to fund the withdrawal.
- It argues the transactions don't match known fraud spending patterns as the withdrawals happened over a week, with days in between some transactions. Many were for substantially less than the maximum amount and no retail transactions were attempted. It has also pointed out the amount, method and location of some withdraws matches how Miss D withdrew the £1,000 cash in September 2022.
- It considers Miss D's explanation for how her date of birth was obtained unlikely.

The case was then allocated to me. I asked the investigator to get more information from Miss D about the account activity and her circumstances around the time of the disputed transactions.

In particular, I asked about another case Miss D had referred to us previously using slightly different details. A few months prior to the events of this case, Miss D deposited around £8,500 in cash with another bank and ordered a new PIN and card. Substantial cash withdrawals were then made from the account. Miss D reported them as unauthorised and said she hadn't received the card or PIN. An ombudsman here has already looked into the case against the other bank; they didn't uphold it.

Miss D said she hadn't wanted to share about this other incident previously as it was personal. She also said it left her reluctant to deposit cash, but she had ultimately decided to do so (rather than keeping it at home) due to having a lodger.

I then proceeded to issue my provisional decision, explaining why I wasn't minded to uphold this complaint:

The dispute here is around whether Miss D authorised these transactions. Where information is unclear or contradictory, my role is to decide what's more likely to have happened, based on the information that is available.

I've started by considering what authorisation means under the Payment Services Regulations 2017 (PSRs). One part is that the transaction must have been properly authenticated. That's not in dispute here; Barclays' records show the payment steps were completed properly. It's accepted the transactions were made using the genuine card and PIN Miss D had recently ordered (along with other details).

Correct authentication isn't enough to deem the payments authorised; the PSRs make clear that Miss D must also have consented to them. That consent must be given in the form, and accordance with the procedure, agreed between her and Barclays.

In practical terms, that means Miss D consents to a transaction by completing the agreed payment steps (such as using her card in an ATM and entering her PIN). But she also consents if she agrees to let someone else use those payment steps. So, if she allowed someone else to use her card and PIN, the transactions they made would be deemed authorised – whether or not she knew about each transaction in advance.

In order for an unauthorised third party to make these payments, they would have needed access to Miss D's card and PIN. She says they could have obtained these when they were sent to her as she has a shared mailbox.

However, on her previous case, Miss D told that bank (and us) that she didn't have a shared mailbox. And she has confirmed that, despite providing us with a different contact address, the Barclays' card and PIN were sent to the same address used by the other bank. So, it's not particularly clear to me how someone would have been able to intercept her card and PIN. And there appears to be a contradiction or omission in what Miss D has told us about where the mail would have been sent/what access there might have been to it.

The third party would have also needed further information to make some of these transactions – as several were made in branch, or via ASD. For those made via ASD, we know the Miss D's date of birth would have been entered.

Miss D says someone with access to her building may have known this as she had invited neighbours to her birthday party a couple of months prior. Or by intercepting medical letters she was sent. But from what she has told us, the address she lives at is different to the address the card and PIN were sent to. So someone would have needed access to both in order for this explanation to hold. And for any medical letters sent to the same address as her card and PIN, it seems unlikely someone would have been able to intercept these, given what Miss D has told us about the mailbox set up there.

Miss D has provided records showing she was hospitalised when some of these transactions were made. I'm also aware there was an attempted branch withdrawal which didn't succeed as the individual couldn't name Miss D's employer. That suggests someone other than Miss D may well have made at least some of these transactions. But as explained, the transactions would still be deemed authorised if she allowed someone else to use her card and PIN. In light of what I've set out above about, I'm not persuaded it's likely someone could have got hold of these without her knowledge or involvement.

There are also some circumstantial factors which I consider relevant to my determination, bearing in mind I'm making it on the balance of probability.

It does strike me as unusual that Miss D would deposit such a large amount of cash so shortly before these disputed transactions. And that she would then need to request a new card and PIN in close proximity – particularly when the account was newly opened. I have considered her explanation for this, but it's still not clear to me why she would need to request the new PIN at the same time that she lost her card. Or why she initially told Barclays she hadn't requested a new PIN.

In the context of having reportedly lost a similar and substantial amount due to a card and PIN not being delivered just a few months prior, it also strikes me as odd that Miss D deposited almost £2,000 cash after ordering, but before receiving, the new card and PIN. Followed by a further £1,000 on 14 October 2022 – postdating the first disputed transaction, and without otherwise using the account. By that point, it was over a week since she had ordered the card and PIN. It doesn't appear she chased this up during the further week in which withdrawals were made.

I'm also mindful of the parallels between this case and Miss D's previous case. An ombudsman has already issued a final decision on this earlier case, so I can't weigh in on the outcome. But I can consider what happened as relevant context.

I'm mindful the previous ombudsman wasn't persuaded by Miss D's argument that those transactions – which are very similar in nature to the ones I am considering here – were unauthorised. The amounts taken were similar. And some of the ATM/branch locations used to make the withdrawals in the previous case are very close to locations used to make these Barclays' withdrawals.

For both events to have occurred as Miss D has reported it would mean that, twice in quick succession, she had around £8,000 cash savings at home; deposited them with a bank; then ordered a new card and PIN – which were intercepted and used to withdraw the recently-deposited funds. That does strike me as unlikely. As much as anything, it means she had over £16,000 cash at home yet only deposited £8,000 initially – or built up a further £8,000 or so in cash over the span of a few months.

I have considered Miss D's explanation for why she didn't tell us about the previous incident until we found her earlier case – which she had submitted to us using different details. Overall, I think the similarities between what happened are stark enough that it was remiss not to mention the previous incident. Particularly as her responses suggest it was relevant to some questions we asked during our investigation. Such as why she had kept so much cash at home.

Overall, bearing in mind what I've explained above, I'm persuaded these transactions were authorised by Miss D. I think they were more likely made by her and/or someone acting on her behalf. I therefore don't consider it wrong for Barclays to hold Miss D liable for them. Nor am I persuaded it ought to do anything else to resolve this matter.

I invited both parties to submit any further evidence or comments before I made my final decision. Barclays hasn't submitted anything further, but Miss D has. I've summarised her points below:

- She says there has been no contradiction over her address. She lives at the flat where her card was delivered. The other correspondence address she uses is her mother's which she does for security. For similar reasons, she has dropped one of her last names.
- While she previously had a private mailbox, it was destroyed so mail is now kept in a shared area. Her lodger, and others in the building, had access to this. She has shown us a recent photograph of post left out in the communal area.
- She was significantly suffering with her health at the time. This affected her memory and is why she needed a new PIN. And also affected why she didn't do more to chase up the card and PIN she didn't receive. But she did speak to the bank about this and was told a block would be put on. She doesn't feel the severity of her health has been considered adequately.

- She was told her card was blocked. Barclays didn't follow security procedures. It should have blocked the account when the wrong security answer was given in branch. And ID should have been requested.
- She has tried to check if Barclays has CCTV to no avail. This should be used to see who made the withdrawals. There is no evidence these transactions were done by her or someone with her consent.
- We should work on a case-by-case basis, so I shouldn't use information from her previous case. She also says the two cases are very different.
- Miss D says she had around £16,000 in cash at home. £8,000 was deposited in cash with the previous bank. She kept £8,000 at home until depositing this with Barclays when she got a lodger.
- Miss D says there was two-week gap between the large cash deposit, and the cash withdrawals, and disagrees this was a short time period.

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.

Having done so, I've decided not to uphold it. This is largely for the reasons given in my provisional decision, which I've set out above and forms part of my provisional decision. So, I'll focus here on responding to the further points Miss D has raised in response to the provisional decision.

I'm conscious Miss D has made quite detailed submissions to us about his complaint, including some specific questions. I'd reassure her that I've considered everything she's submitted carefully, but I won't be responding in similar detail. I don't have to answer each and every question. If I don't mention a particular point or piece of evidence, that's not because I haven't taken it into account. It's just that I don't believe it necessary to reference it to explain my decision, which is focussed on what I consider to be the main issues. This isn't intended as a discourtesy. It's a reflection of the informal nature of our service.

I appreciate why Miss D says each case should be worked on a case-by-case basis. I do agree that each case should be considered on its own merits. But that doesn't mean I must ignore relevant evidence from her previous case – in fact, I consider it would be unfair of me to do so. As explained in my provisional decision, the prior case does offer relevant context to the issues I'm considering here, given the proximity and similarity between the events.

This is evident even from Miss D's response to my provisional decision. In this, she has explained the cash she deposited was held at home prior to the previous disputed withdrawals with her other bank. But it was when she got a lodger that she decided to deposit the remaining £8,000 cash she held at home. This shows the overlap in evidence relevant to both cases.

I would also explain that our service judges cases on the balance of probabilities. This means I don't need to be certain on exactly what happened. Rather, I'm considering what's more likely. Based on what Miss D has told us, this is what I would need to consider more likely to have happened in order to find that the payments were unauthorised:

- Having not used her account since November 2019, Miss D deposits £8,500 cash in her bank account in May 2022 – but keeps around £8,000 at home. She orders a new card and PIN at this time.

- Someone is able to intercept both of the letters sent containing Miss D's card and PIN respectively, and uses them to make cash withdrawals from the account. This is despite Miss D informing us she has a private mailbox (although has occasionally received post for her neighbours). The unauthorised person makes these transactions gradually, rather than in one go, without making balance enquiries to check the available balance. And they go to branch to withdraw cash in person – using branches local to Miss D.
- Miss D chases up the card but says she is told all is fine. But then in June 2022, she calls again and finds out about the cash withdrawals – which she says were unauthorised.
- Miss D then opens a new account with Barclays in September 2022 and deposits £8,000 in cash – the remaining cash she kept at home. She says this is because she has got a lodger by this point.
- Around one week after depositing this cash, and a few weeks after opening the account, Miss D orders a new card and PIN. She says, by this point, she no longer has a private mailbox and post is being left in a shared area.
- Miss D then deposits a further £1,880 (gifted) cash in branch. At some point, she says she asks about her card and PIN not being delivered and is told it has been blocked. Barclays doesn't have a record of this.
- The next day, cash withdrawals start being taken. They tend to be for similar amounts, and made at similar locations, as the other dispute she reported with her previous bank. They include some in-person cash withdrawals – although one isn't accepted as the person requesting it can't name Miss D's employer. But they do know details such as Miss D's date of birth, which are used to pass security for some of the withdrawals. Miss D says this could have been obtained from misdirected post, or as she had a recent birthday party which her neighbours and lodger would have been aware of.
- On one day, undisputed credits are transferred in from Miss D's other account which match the amount withdrawn that day.
- A week or so later, Miss D is contacted by Barclays. At this point, she finds out about the withdrawals.

Overall, there are too many coincidences or unlikely premises here that I would have to accept for me to consider it likely these transactions were unauthorised.

I do think the timing of the change to the shared mailbox would be a coincidence to have happened in the span of just a few months. But even if it was changed by the time Miss D ordered her new card and PIN, it still doesn't adequately explain how someone knew to intercept both those letters, or that there would be some much money in the account. And it also doesn't explain how someone was able to intercept the first card.

I do appreciate Miss D was in difficult circumstances at the time with her health, which will have affected her actions. But I still think she would have been on alert, having had such a large amount stolen so recently due to ordering a new card and PIN. Miss D says she did chase up when they didn't arrive, and was told the card was blocked, but I haven't seen anything to substantiate that. For example, the new card wasn't cancelled and replaced until after the dispute was raised. It seems more likely to me that any contact about a card being blocked would have been in reference to the card Miss D reported lost initially.

It also seems unlikely Miss D would happen to both lose her card, and forget her PIN, so shortly after opening the account and depositing such a large amount of cash. I am aware she was suffering with her memory, but she says her daughter lost her card, so it still seems coincidental this happened in such a short timeframe.

It also seems unusual Miss D would have so much cash at home – particularly bearing in mind she deposited such a similar amount a few months prior.

The pattern of spending on the account also seems risky, if done by an unauthorised person. It seems a strange risk to take to go into branch to make these withdrawals, and to use the same branches as Miss D had previously. It also seems risky to make these transactions over a week or so, often not withdrawing the maximum amount. Whereas you would expect an unauthorised person to have sought to drain the account quicker, to avoid the risk of Miss D finding out and blocking the card before they had stolen all the funds.

I also haven't seen anything in Miss D's submission which explains why she was making deposits into the account during this time if she hadn't yet received her card and PIN. Especially as it would be a further coincidence that the amount she paid into the account on one day exactly matched the amount withdrawn on the same date.

I have considered what Miss D has said about what she has disclosed to us, and why she didn't mention the previous incident sooner. I do consider it unusual she wouldn't think to mention this to us until after we asked her about the previous case. And I do also consider it unusual that she would submit this using different details (first name, last name, postal address, email and phone number) – making it less obvious to our service that the cases were linked. I can see why she would be using a different postal address in light of the events she has reported. But the difference in the remaining contact details used is unclear to me.

It's down to our service to determine what information we need to reach our decision. Here, I'm satisfied I've got enough to reach a fair outcome. While I appreciate why Miss D has asked about CCTV, and about Barclays's withdrawal process and what it did when the person making the withdrawal couldn't name her employer – I'm not persuaded we need more information about this. That's because I don't think this would lead me to a different outcome.

As covered in my provisional decision, I'm not just considering whether Miss D made these transactions – but also whether they were made by someone she allowed to use her payment details. This is why I don't think CCTV (which we've also no indication would be available) would be particularly useful here.

For the reasons I've already covered, I do think Miss D and/or someone with her permission is more likely to have made these payments. And so I don't think the point about what else Barclays could have done for security is relevant to the outcome of her complaint.

I do appreciate this is disappointing for Miss D. I have considered what she has told us about her health, to consider the impact this may have had on her actions or the likeliness of the events. Overall, while I can't know what happened definitively, I don't consider I have a likely explanation for how an unauthorised person made these transactions. In the circumstances, I consider it reasonable that Barclays is holding her liable for them.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 19 February 2024.

Rachel Loughlin
Ombudsman