

The complaint

Mr V complains that Barclays Bank UK PLC has declined to refund disputed transactions that were made from his account, and for the way it handled his fraud claim.

What happened

In March 2023, Mr V says his car was broken into, and personal information belonging to both him and his partner were stolen. He says this included his wallet containing debit cards, his partner's mobile phone, and his online banking security credentials.

On 22 March 2023, Barclays received a call from someone claiming to be Mr V, and as a result of a successful direct debit indemnity claim, £1,262.58 was credited into his account. From this, £1,281.00 was moved from his account to his partner's, using his Barclays mobile banking.

When Mr V discovered the transactions, he says he contacted Barclays to report them as unauthorised and asked it to refund the money. But the bank didn't think it was liable for his loss. Unhappy with this, Mr V raised a complaint with Barclays. He was unhappy with the way the bank had handled his fraud claim, with information that he believed it told him resulting in his car being repossessed, and that the person who had called Barclays wasn't him and therefore felt he should be refunded.

Barclays said:

- The money from the direct debit indemnity claim was paid into Mr V's own account and then on to his partner. Mr V claimed that a fraudster then carried out withdrawals from his partner's account, and so she would need to raise her own claim with her own bank for the loss.
- It was sorry that when Mr V first contacted the bank to report fraud, it didn't log the matter correctly and therefore it didn't begin its investigation at the time. It recognised this would have been inconvenient for Mr V and so paid £200 compensation into his account.

Mr V remained unhappy and referred a complaint to this service. But our investigator didn't think Barclays was responsible for his loss as she felt the transactions had been authorised by Mr V. Mr V didn't agree, and asked for an ombudsman's 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.

Having done so, I agree with the conclusions reached by the investigator for reasons I set out below.

The regulations relevant to this case say that generally speaking, a bank is entitled to hold a

customer liable for authorised transactions. And I've taken that into account when deciding what is fair and reasonable in this case.

I'd like to acknowledge Mr V's comments about the person who called Barclays to raise the direct debit indemnity claim. He's adamant that this wasn't him who called and therefore believes that the whole fraud claim should succeed, and he should be refunded.

I've listened to this telephone call, and I accept that the voice of the person is different to other calls that Barclays has had with Mr V. But, that isn't the only evidence that I've considered when reaching my decision, and alone, it isn't enough to say the disputed transactions were unauthorised. I've seen a lot of other evidence to suggest that Mr V authorised the transactions in dispute, and this has been carefully considered when reaching this decision.

The successful direct indemnity claim meant that £1,262.58 was deposited into Mr V's account on 22 March 2023. This deposit enabled the disputed transactions to be made. Generally speaking, the direct debit guarantee gives consumers peace of mind that they will be entitled to an immediate refund if there is a mistake involving the payment of a direct debit instruction. Because the bank will receive the money back from the originator under the guarantee and pass it back to the consumer.

In Mr V's case, the person who called Barclays said there had been a problem with the collection of his car finance payments. The caller gave a convincing story of what had happened with his car, and Barclays accepted the indemnity claim and processed the refund. This meant the amount he owed to his car finance company increased by £1,262.58. I've considered that as well as knowing details about Mr V's account, the caller was able to pass the bank's security by accessing Mr V's banking application and confirm a code (ID notification) intended for Mr V. I'm satisfied from the bank's records that the banking application was accessed using Mr V's biometrics. And, the number the ID notification code was sent to, was a telephone number provided by Mr V. There is no explanation how an unknown third party would be able to access mobile banking using Mr V's existing touch ID.

Mr V says that the disputed transactions were carried out by using a phone that was stolen from his car. However, the bank's electronic records show that the same mobile device continued to be used to access mobile banking for Mr V's account many months after the disputed transactions were made. I find it highly unlikely that an unknown individual, having gained access to Mr V's banking information, would continue to log on to monitor Mr V's account but not make any further disputed payments. I find it more likely that Mr V or his partner, continued to use the same device, and that it wasn't stolen.

This is further supported by a call that Mr V and his partner had with Barclays on 23 October 2023, I've heard Mr V's partner confirm that she's received an ID notification code on her telephone which was intended for Mr V through mobile banking. I've also seen evidence that the same device used to complete the disputed transfers on 22 March 2023 was used to accept this notification code.

This evidence casts considerable doubt on what Mr V said occurred with the theft of items from his car, and I don't accept that this is what happened. On the balance of probabilities that it's more likely Mr V authorised the transfers to his partner's account before raising a fraud claim with Barclays.

customer service

Mr V has raised many concerns about the way Barclays handled his fraud claim, and that because of incorrect information it provided to him about its investigation timeframes, his car

was taken from him by his finance company. He's explained to both Barclays and our service the difficult circumstances that this left him in financially, as well as his inability to work without access to a car. I was sorry to hear of the difficulties Mr V has faced since the disputed transactions occurred. However, since I find it more likely than not that he authorised the disputed transactions, I can't say that Barclays was the cause of such difficulties, or that it should compensate him for them.

I note the banks comments that it could've started its investigation into Mr V's fraud claim sooner than it did, and that its paid Mr V £200 for the trouble and upset that this caused to him. I think this is very fair in the circumstances and I won't be asking Barclays pay any further compensation.

For the suggestion that Mr V's partner approach her own bank in an attempt to recover the money from the disputed transactions, this is completely separate to my considerations against Barclays, and I make no findings in this regard.

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 V to accept or reject my decision before 13 February 2025.

Lorna Wall
Ombudsman