

The complaint

Miss F has complained that Barclays Bank UK PLC registered a marker against her at CIFAS, the national fraud database.

What happened

In late 2021 and early 2022, Miss F received a number of payments from various people, the bulk of which she transferred to a crypto platform and sent on. The payments were reported as fraudulent.

At the time, Miss F told Barclays the money was from a friend to pay for crypto. She didn't provide evidence she was entitled to the money. Barclays closed her account and registered a marker against her at CIFAS.

In 2023, Miss F came to our service. She's explained that she'd been talking to an online sugar daddy for a long time. He then told her he was in business, but faced difficulties due to being defrauded and being unable to access his crypto servers from his country. He asked her to help build his business back up. He said customers would send money to trade in crypto for them. He asked her to receive this money and send it to a crypto wallet, offering her a small cut for her trouble. He assured her this was all legitimate. Miss F accepts she acted foolishly, but says she didn't believe the funds were fraudulent until after the fact.

Our investigator didn't uphold the complaint. Miss F asked for her case to be reviewed, so the complaint's been passed to me to decide.

I sent Miss F and Barclays a provisional decision on 26 April 2024, to explain why I thought the complaint should be upheld. In that decision, I said:

I need to consider whether this report to CIFAS was made fairly. On this point, Barclays needed to have more than just a suspicion or concern. It needs to be able to show that it had reasonable grounds to believe that fraud or a financial crime had been knowingly committed or attempted, backed by evidence which would support it being reported to the authorities.

Based on what I've seen so far, I currently think Barclays acted fairly in adding this CIFAS marker – but given the new evidence provided, it should now remove it.

Miss F has provided her message history with the fraudster. I can see that their relationship was as she's explained. I can see the fraudster did indeed claim that she was just helping him build his business back up, and that the money came directly from his customers – which explained why it was coming from so many different people. He explained he was unable to satisfy their orders himself due to server issues in his country.

The fraudster assured Miss F that all she was doing was helping him purchase crypto for his customers. He repeatedly reassured her it was legal. When Miss F's account was blocked, he told her the bank just had "too much security" and were being overly cautious. He explained that the customer who recalled their payments only did so because Miss F hadn't invested it for them within the required timeframe, and he assured her he'd work it out. He reiterated that the block was just caused by her delay in delivering the crypto.

Miss F's messages support that she believed the fraudster. For example, she double checked that money she received was from him or his customer, talked about building his business back up, and asked him to reason with a customer who issued a recall.

When Miss F finally began to substantially doubt what the fraudster was telling her, and asked more deeply probing questions, I can see that he stopped responding. But that was after the fraudulent activity had already finished.

So based on what I've seen, I think it's most likely that Miss F was an unwitting participant in the fraud. It looks like she genuinely believed she was helping someone she was in a pseudo-romantic relationship with, with their legitimate business activity, in exchange for a small cut for her work. She's accepted that she acted foolishly, and that she should have trusted Barclays and been more upfront.

Of course, Miss F didn't provide this evidence to Barclays at the time. As she's accepted, she was not forthcoming with the bank. So I think it was fair for Barclays to add the marker and close the account based on what it knew at the time, and so I do not plan to tell Barclays to pay Miss F compensation for the effects of that marker. But as this new evidence has since come to light, I think the fairest thing is for Barclays to remove the marker now.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 25 March 2024. Barclays accepted the provisional decision. Miss F didn't reply.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I uphold this complaint, and direct Barclays Bank UK PLC to remove the fraud marker. I don't award any further compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 29 April 2024.

Adam Charles
Ombudsman