

The complaint

Mr M complains Barclays Bank UK PLC ("Barclays") won't refund payments he says he didn't authorise.

What happened

On 30 May 2023, Mr M received a letter from Barclays informing him a direct debit couldn't be collected due to a lack of funds in the account. Mr M's mother said this was received on 3 June 2023 which prompted the initial contact with Barclays where they discovered what had happened on the account.

Barclays logged a fraud claim on 4 June 2023 for multiple disputed payments that took place between March 2023 to May 2023 that it says totals £5,971.23. It then issued its outcome on 24 July 2023 saying it wouldn't be providing a refund as it couldn't find evidence of fraud, and that the disputed transactions appeared to have been authorised. Following a complaint raised about the outcome reached, Barclays issued its final response letter on 24 August 2023. In summary it said the disputed transactions had been carried out using Mr M's genuine device, phone number and passcode so because of that, it wasn't changing its decision.

Mr M's uncle wrote to Barclays on his behalf on 23 September 2023 to raise a further complaint. To summarise briefly, he said there was a possibility Mr M's device could have been hacked or remotely accessed that hadn't been addressed, though it was added that no remote software programme was found on Mr M's phone. They'd identified conversations had within Snapchat, which Mr M said wasn't him, where payment details had been exchanged. And that Barclays failed to identify the payments as unusual.

Unhappy with Barclays' decision, Mr M's mother referred his complaint to our service on his behalf on 23 January 2024.

Barclays issued a further response to Mr M's complaint on 25 January 2024 reiterating its decision from 24 August 2023. It added that there was no evidence of remote software being downloaded onto Mr M's phone and that whilst it has extensive fraud monitoring tools, it ultimately processed the payments in line with the payment requests it received.

One of our investigators looked into Mr M's complaint and didn't uphold it. In summary they thought Barclays was fair in its decision not to refund him as the payments had been made on Mr M's device, that hadn't been lost, and they couldn't establish a point of compromise. They also didn't consider Barclays ought to have been concerned about the disputed payments to the extent of intervening.

Mr M's mother didn't agree. I've summarised her points below:

- It isn't implausible that someone could have taken Mr M's phone on several occasions to have made the payments and return it to him. Mr M would often leave his phone around and openly used his phone where anyone could have seen him input his passcode.

- There had been some form of compromise given the evidence of the Snapchat conversation provided, and that the payments involved different areas of the country. And whilst she had said Mr M hadn't recalled clicking on any links or shared information with someone, it didn't mean to say that that he didn't at all.
- The payments were out of the ordinary for Mr M's account and so should have been flagged by Barclays.
- Mr M has social communication disorder and his naiveness and vulnerability is well known where she often had meetings with a safeguarding lead in order to prevent someone taking advantage of him.

Because Mr M's mother, on his behalf, didn't agree, the matter was passed to me to decide and on 25 September 2024 I issued my provisional decision where I didn't uphold this complaint. Barclays agreed with my provisional decision, adding no further comments, but Mr M's mother, on his behalf, didn't agree. She reiterated that Mr M hadn't authorised the payments and that Barclays ought to have prevented them, saying she stood by the points she previously raised before.

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, including Mr M's mother's additional comments, I don't uphold this complaint. I'll explain why.

The dispute here is around whether Barclays has acted fairly in treating the disputed payments as authorised. Where there is a dispute between both parties about whether payments were authorised, 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 payments must have been properly authenticated. Barclays has provided online records showing the payment steps were completed using mobile banking from Mr M's device linked to his mobile number. I'm satisfied therefore the payments were authenticated correctly.

Correct authentication isn't enough to deem the payments were authorised. The PSRs say that Mr M must also have given his consent to the execution of the payments. In practical terms, it means Mr M consents to payments by completing the agreed steps as set out in the terms and conditions of the account.

Mr M said he didn't make these payments, nor allowed someone else to make them. For someone else to have made these payments, they would have needed access to Mr M's phone and the passcode to log into his mobile banking – which is how the mobile banking was accessed when these disputed payments were made. Mr M's mother said he often left his phone around and that he would openly use his phone where his passcode could have been visible. I accept this presents an opportunity where someone could have learnt this information and found an occasion to have used his phone, so I've considered how likely this scenario could have been based on the evidence I have.

Barclays has provided Mr M's mobile banking login data during the period of the disputed payments which shows that the account was frequently accessed, often multiple times in a single day and particularly on the days the disputed payments took place.

As an example on 23 April 2023, there were seven disputed payments that took place at different points in the day. The times they were carried out were 12:12pm, 1:12pm, 1:22pm, 1:43pm, 3:45pm, 10:09pm, 10:20pm. There was also an undisputed payment at 11:13pm. On this day, based on a scenario that has been suggested from Mr M's family, Mr M's phone would have needed to have been taken by someone on each occasion to have made these payments, and then returned back to him without him knowing. There were also other days where there were multiple payments carried out in a single day but spread out in time like 23 April 2023. As another example on 17 May 2023, the disputed payments were carried out at 12:28am, 12:29am, 12:52am, 1:34pm, 1:39pm, 8:10pm, 8:30pm, 9:33pm and 9:42pm.

What this would also suggest is that this individual would have needed to have been with Mr M through various points of the day both in the morning or afternoon and in the evening, and on multiple days over the course of the two months these disputed payments took place. It would seem unusual for someone to run the risk of logging into Mr M's account, on multiple dates and times, to have made these payments and to multiple different beneficiaries where they may not have otherwise benefited from receipt of the funds. Overall, I don't consider this scenario likely.

I've seen there were occasional longer gaps between when the disputed payments were carried out. On one occasion there were two disputed payments made on 18 March 2023, and then the next one after was on 8 April 2023. And on another occasion, there was a disputed payment carried out on 2 May 2023, and the next one after was on 14 May 2023. In between those dates, there were multiple logins using mobile banking and I'm satisfied some of these would have been genuine as there are undisputed payments made in that time. Given the level of outgoing payments before 14 May 2023, which utilised around 40% of a large credit Mr M received from DWP that his mother says family and some friends were aware of, I can't see how these payments would have gone unnoticed. And given it appears Mr M has support when making faster payments as his mother explains he doesn't know how to make them.

I can also see there were other days outside of the periods I've mentioned above where no disputed payments were made, but there were several logins. If those logins weren't Mr M, I would have expected to have seen more attempts to send money if someone was already taking the risk to the extent of doing this.

Mr M's mother said there had been some form of compromise given the evidence of the Snapchat conversation provided. Having reviewed the screen shot provided, which appears to be of a conversation in April 2023, I can see there is an exchange concerning making a payment. But the extent of the conversation I can see only shows that someone using Mr M's phone provided his account and sort code and then they asked the individual they're speaking to, to send money into Mr M's account. But I recognise the individual on the other end of the chat mentions using Cash App seemingly asking the person using Mr M's phone to make a payment in relation to a transaction fee.

The conversation is limited, so I can't see any context to the conversation to establish if something untoward was happening at the time. What I do note is the mention of using Cash App, which is a finance app that can be used to send people money or buy stocks or bitcoin. I've seen that on 21 March 2023, two payments of £5 debited Mr M's account using this merchant so it suggests to me that it could have been Mr M that was interacting with this individual despite his mother telling us that he wasn't speaking to this person. But this information doesn't lead me to think these payments were unauthorised. It's not clear why a third-party making payments on Mr M's phone would also use Snapchat and so I consider it more likely he was using it and this is related to why the payments were made.

Mr M's mother seems to have raised a point around locations, both in terms of the

beneficiary accounts and the IP addresses used to make the payments. But I don't think that's relevant here. Firstly IP addresses aren't particularly reliable and fluctuate, so I give more weight to the device ID itself which was Mr M's phone and had been used for genuine payments. But I have however seen from the data Barclays has shared that the IP address linked to the undisputed payment Mr M made on 23 April 2023 was also the same IP address linked to two of the disputed payments made on the same day. And this would suggest Mr M was in that location for these genuine and disputed payments. And even if Mr M was making payments to somebody who had opened an account further away from him, that wouldn't mean he wouldn't know who he was paying or that they were unauthorised.

I appreciate Mr M's mother thinks something untoward has happened and she's suggested someone might have hacked his phone or accessed it remotely, but I've seen no evidence to support an unknown person accessing Mr M's phone to have made these payments.

Considering what I've set out above, I think it's more likely than not that these payments were authorised by Mr M. I'm not persuaded an unauthorised individual made these payments.

Mr M's mother said the payments were out of the ordinary for Mr M's account and so should have been flagged by Barclays. She's also mentioned a previous fraud claim and that Barclays were aware of Mr M's vulnerabilities. I appreciate the concern she's raised, I've considered this but I haven't seen anything suggesting Mr M didn't have capacity to authorise payments. I've considered whether Barclays acted in line with good practice, and whether I think it's possible Mr M has been the victim of financial abuse. But as I've not been given any information that would suggest or give context to the payments, I can't fairly conclude that had Barclays intervened it would have been appropriate to have prevented the payments.

I accept there might be more to what's happened that we've not been told but bearing in mind what I've explained above, I'm persuaded Barclays has acted fairly in concluding the payments were authorised by Mr M.

My final decision

My final decision is that I don't 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 18 November 2024.

Timothy Doe
Ombudsman