

The complaint

Ms W has complained that Barclays Bank UK PLC won't refund transactions she says she didn't make or otherwise authorise.

What happened

Both sides are most familiar with the case, so I'll summarise things in brief.

In late 2023, over the course of 10 days, Ms W's Barclays credit card was used for around £1,300 of spending, mostly ATM cash withdrawals.

Ms W says her card was stolen, though none of the other cards in that purse were stolen. She was certain she'd never written down her PIN or told it to anyone, her last PIN advice was some time ago and she'd definitely shredded it, and no one else knew her PIN.

Barclays held Ms W liable for the payments in dispute, mainly because there was no likely way someone could've known her PIN without her consent, and because she'd been checking her account frequently between disputed payments. They did pay her £25 compensation, and offered a further £250, for some customer service issues.

Our Investigator looked into things independently and didn't uphold the complaint. Ms W didn't agree, 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 Ms W liable for the payments in dispute if the evidence suggests that she authorised them. To clarify, this is not based on a judgement of anyone's character, it is based on the evidence at hand and the balance of probabilities.

I'm satisfied from Barclays's technical evidence that the payments in dispute used Ms W's genuine card, and the correct PIN. This was not a cloned card, and the PIN was not bypassed. So I can see that these transactions were properly authenticated. The question, then, is whether the evidence suggests that it's most likely Ms W consented to the transactions, or not.

Ms W originally suggested her card was stolen during a burglary while she was on a night out. However, Ms W used her physical card on that night out, so that can't be the case. She also suggested it was taken when went to pay for petrol. However, that petrol payment happened *after* the first disputed payment, so that can't be the case either. It also doesn't seem very likely that a thief would only steal this card and not the others.

With that said, even if I accept that Ms W's card was stolen at some point, there's no likely or plausible way someone could've known her PIN without her permission. Ms W was very clear indeed that she had never recorded her PIN anywhere as her memory was too good, she didn't keep a PIN advice and had shredded it, she'd never told her PIN to anyone not even her partner, and there was no way anyone else could know it, even people close to her. Ms W had not made any transactions using her PIN in the days before the first disputed payment, so there was no reasonable opportunity for a thief to watch her entering her PIN then take the card. She hadn't been issued with any PIN reminders recently. And it's exceptionally unlikely that a thief would happen to guess her PIN on the first try.

Further, Ms W was checking her online banking very frequently – as much as 9 times a day – between the disputed payments. So it's most likely she was aware of the disputed payments as they were being made. Yet she didn't tell Barclays anything was wrong until over two weeks after they began. It's very unlikely that Ms W would wait so long to report the disputed payments if they were made without her consent.

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 they're detected and the account is blocked. But here, the disputed payments were made relatively slowly, with gaps of multiple days between payments. The person using the account seemed confident that Ms W would not block them. They also somehow knew to stop attempting payments once Ms W reported the matter, which a thief should not have been able to know she'd done. This does not fit well with the payments being unauthorised, but would fit well with them being authorised.

Lastly, I've not seen any evidence which makes it seem implausible or unlikely that Ms W could've authorised these payments or given someone else permission to make them.

In summary, I'm satisfied that Ms W's genuine card and PIN were used. Based on the evidence, there isn't a likely or plausible way the payments were made without her consent. Instead, the evidence points to the transactions more likely being made by Ms W or by someone she'd given her permission to.

So based on everything I've seen, I find it's fair for Barclays to decline a refund in this case. I also find they did nothing wrong in closing the account, which they were allowed to do in situations like this under the account's terms. I acknowledge they did get some things wrong in their customer service, like sending a confusing text and not changing Ms W's PIN when she asked. But the compensation they offered is already in line with what we would have told them to pay for those customer service issues.

I do appreciate this is not the outcome Ms W was hoping for. But given the evidence at hand and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

For the reasons I've explained, I find that Barclays Bank UK PLC have already handled the matter fairly. They should pay Ms W the compensation they offered, if they've not done so already. I don't make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or

reject my decision before 21 November 2024.

Adam Charles
Ombudsman