

The complaint

Mr F has complained Barclays Bank UK PLC lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In 2022 Mr F was told by Barclays that they were closing his account.

Mr F subsequently discovered a fraud-related marker had been lodged by Barclays on the industry fraud database, CIFAS. This was causing him difficulties in getting another account and managing his small business. He asked Barclays to remove the CIFAS marker. Barclays didn't feel they'd done anything wrong and refused to remove the marker.

Mr F brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. She felt that Barclays didn't have sufficient evidence to show Mr F was a willing participant in fraud and asked them to remove the marker. They would need to refund the funds removed from his account at the time of the fraud. She also asked them to give him £200 in compensation.

Mr F accepted this outcome, but Barclays didn't. Mr F's complaint has been referred to an ombudsman for 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've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

So Barclays must be able to provide clear evidence that an identified fraud was being committed and Mr F was involved.

There's also a requirement that Barclays should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Barclays. This confirms they received notifications from three customers that had sent money to Mr F's Barclays account as the result of various social media-related purchase scams.

Mr F has told us that his car was involved in an accident (and has shared photographs of the

damage caused). The person who crashed into his persuaded him in a threatening manner to accept cash rather than pursue a claim through insurance. Mr F was given £500 cash and told that he'd receive further payments. He then received five payments for £192.05, £438, £270, £260 and £417.05 which he believed were the money this person had agreed to send to him. Mr F has also shared a copy of the invoice showing the repairs to his car and confirmation that this was paid in cash.

I don't doubt that individuals sent money to Mr F's account believing they were purchasing various items as the statement narrative backs this up. However, there's no evidence to show Mr F knew he was in receipt of fraudulent funds.

Barclays has questioned the number of transactions showing 'car' as the statement narrative. But I don't believe this is sufficiently convincing to suggest Mr F was involved in a fraud. He also regularly made transfers to his partner, so I'm satisfied that explains why money he received from the person who'd crashed into him – and he was expecting and needed to pay for the repairs – was transferred out pretty quickly.

I've considered all of this, and I don't believe Barclays has sufficient evidence, as required by the CIFAS rules, to show Mr F was complicit in the fraud.

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. In this case I don't think this exists from reviewing the evidence.

Putting things right

On this basis I believe it would be fair and reasonable to ask Barclays to remove the CIFAS marker.

Barclays removed £263.27 from Mr F's account at the time they were notified by customers of the purchase scams. They will need to return this to him along with 8% simple interest.

There's no doubt that having bank accounts closed and limiting his access to money would have caused Mr F some distress. I believe, like our investigator, that £200 is fair and reasonable.

My final decision

For the reasons given, my final decision is to instruct Barclays Bank UK PLC to:

- Remove the CIFAS marker in Mr F's name;
- Refund £263.27 to him;
- Add 8% simple interest a year to that amount from 25 July 2022 to the date of settlement; and
- Pay him £200 for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 December 2024.

Sandra Quinn
Ombudsman