

The complaint

Mr B complains that Barclays closed his account with immediate effect, and registered a Cifas marker against him, without due cause. He said Barclays also kept sending him bank cards he did not ask for and did not respond to him when he contacted them about this.

What happened

Mr B held a current account with Barclays. In March 2023, they contacted him to tell him that they were closing his account with 62 days notice, which they later revised to closing with immediate effect. Mr B later discovered that Barclays had loaded a negative fraud prevention marker with him on the National Fraud Database.

Mr B complained to Barclays, who maintained that they had acted correctly in closing his account and in referring their concerns to Cifas to record the marker. Unhappy with this response, Mr B escalated his concerns to our service. Mr B said he was unhappy that Barclays had closed his account, referred him to Cifas, and that he had previously tried to complain that he had been receiving cards from Barclays in the post which he had not ordered, but never got any acknowledgement or response from them.

Barclays told our service that Mr B had ordered a lot of new cards within a period of less than three months at the start of 2023, each of which was ordered as the previous card had been reported as lost or stolen. The frequency of cards being reported as lost or stolen prompted Barclays to undertake a review of Mr B's account. They said that it was implausible that he could have had this many cards lost or stolen, and so they decided to close Mr B's account with 62 days-notice. But they said that Mr B continued to report cards as lost or stolen, so they took the decision to close his account with immediate effect and refer him to Cifas for misuse of facility, relating to false loss/theft reports. They maintained that their position was that it was completely unfeasible that he could have lost that many cards – so they thought that these represented false declarations of the loss of his cards which came at a cost to Barclays.

Barclays explained that they had no evidence which corroborated Mr B's account that he had complained about receiving new cards he had not ordered. They said that the only times he had been in touch were when they had stopped payments which had flagged on his account, when he got in touch to confirm payments were genuine. They said that all of the cards were proactively reported as lost or stolen through the Barclays mobile banking app which led to the new cards being reordered.

Barclays suggested that the cards could have been reported as lost and stolen in order to take part in a scam with a well-known e-commerce website as there were lots of credits in and out of the account from the website. But they said that the reporting in and of itself was fraudulent anyway, regardless of what Mr B did with the replacement cards, as the production and postage for the replacement physical cards which were sent out came at a cost to Barclays.

Mr B told our service that the credits in and out of the account were due to the fact he was ordering parts to be used in work he was contracted to do. He could no longer provide evidence from the e-commerce site or emails from his employer, as he no longer worked for them and so the email address he used for both was no longer accessible to him. He did provide other evidence to show he was working around this time, including group chats and a payslip.

Mr B said he ordered some items from an online retailer which were flagged as suspicious, but he confirmed were genuine purchases to B. He said after this, his card kept being blocked and he had to unblock it. He said he then kept getting cards sent to him from Barclays, including at one time he had five cards arrive at the same time.

Mr B remained dissatisfied, so he brought his complaint to this service. One of our investigators looked into what had happened and initially did not recommend that Mr B's complaint was upheld. Mr B provided further evidence and our investigator then recommended that Mr B's complaint be upheld, and asked Barclays to remove the Cifas marker.

Barclays did not agree and as no agreement has been reached, the case has 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.

Having done so, I am reaching the same conclusion our investigator did in their first opinion of the case, and for broadly the same reasons. That is to say, I am not upholding this complaint. I will explain why.

The marker that Barclays applied is for misuse of Mr B's banking facility, which they say happened when he made false claims of loss. For Barclays to load this marker it is expected to demonstrate that it had clear, relevant and rigorous evidence to show that in the course of the operation of his account, Mr B falsely reported loss or theft in such a way that amounted to fraud.

Barclays have provided clear evidence which shows that multiple replacement cards were being requested on Mr B's account from within his mobile banking app within a relatively short timeframe. The evidence also indicates that some of the cards could not have arrived before a further replacement was requested, including two occasions where new cards were ordered on consecutive days and further examples of cards being ordered just a couple of days apart. Mr B made transactions on these days, showing he used the new card details before ordering a replacement when the original replacement card would likely not have arrived yet. Based on all of this evidence, I can see why Barclays suspected that this was intentional misreporting to gain new card details.

In line with best practice, I do think Barclays ought to have contacted Mr B to ask him about why he was ordering so many cards. I say this because I think it is reasonable for Barclays to have checked there was not another explanation for the multiple card requests such as him being the victim of fraud or account takeover, being duped into requesting more cards or having a vulnerability that could be relevant to the sequence of events that unfolded.

Barclays has applied the loading for the fraud of misreporting cards as lost or stolen. Broadly speaking for this to constitute fraud, there needs to be an intention of making a gain for oneself, causing a loss to another, or exposing another to the risk of a loss.

Barclays argue that some of the account activity was in line with a fraud conducted with the well-known online retailer or in order to utilise free gambling credits. They have shown that there were transactions and refunds with the retailer, though there was no clear evidence to show Mr B was definitely ordering the cards for this purpose and Mr B has shown some limited evidence to show he was employed at the time and received some funds back for expenses. So, I haven't ruled out that Mr B was utilising his account to make purchases for his work, in line with his testimony. But Barclays say that they do not need to demonstrate this in order to show that the ordering of this many cards amounts to a fraud. This is because they say that Mr B made false declarations, and in doing so he knew or ought reasonably to know that this would cause Barclays to incur a cost in sending out the replacement cards. Whilst I have also seen no evidence to suggest the aim of ordering replacement cards was to cause Barclays a loss, I understand that Barclays are arguing that Mr B should have recognised that this loss to Barclays was a likely consequence of his actions and proceeded nonetheless.

But if Barclays is loading a marker based on what loss Mr B ought reasonably to have recognised, I would again like to stress that it ought reasonably to have given him the opportunity to provide his version of events. So I do think that Barclays erred in loading the marker without speaking to Mr B. However, this in and of itself is not enough to say that Barclays ought to remove the fraud prevention marker. Mr B has now had the opportunity to provide evidence and explanation to our service, and so having carefully considered this, it is for me to determine whether in light of this evidence the marker ought to be maintained.

Mr B's testimony is that his card was being blocked because of transactions he was making with the well-known online retailer. He said the security team called him and he confirmed the transactions were him, but his card kept getting blocked and so he had to unblock it. He said that Barclays kept sending him new cards and he complained to Barclays about this. He said five arrived at once on one occasion. He said refunds on the account were due to orders not going through on the website due to the card blocks which Barclays applied. Having reviewed the technical evidence provided by Barclays, Mr B's testimony is not in line with what happened on his account. I say this because Barclays have been able to show that the new cards were ordered using Mr B's mobile banking app. Mr B has not given any explanation which would show that this could have been done but anyone but him – so I think it is more likely than not that Mr B made these reports. And when considering the number of times he reported cards lost or stolen, and the frequency over a period of less than three months, I think it was indeed fair that Barclays concluded that it was unfeasible that Mr B could have had this many cards lost or stolen during this time – particularly because some were ordered so closely together that I think it is fair to conclude that Mr B would not yet have had the physical card for it to be lost or stolen yet.

Returning to the fraud marker for misuse of facility, for this to meet the threshold for fraud, a reasonable person would need to be aware that they were likely causing Barclays a loss. Mr B ordered over 20 new cards in under three months. And I think an average consumer would understand that this many replacement cards over such a short period of time, would come with associated costs for Barclays – in particular, costs for the production and distribution of the cards.

Taking everything into account, I am satisfied that the loading of a Cifas marker is fair and reasonable in the circumstances of this complaint.

I note that the terms and conditions of the account allow for Barclays to close the account immediately where there is fraud and so I am satisfied the closure of this account was fair.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 April 2025.

Katherine Jones
Ombudsman