

## **The complaint**

Mr and Mrs S complained because Barclays Bank UK PLC refused to refund them for payments they said they hadn't made.

## **What happened**

On 17 May 2024, Mr S was on holiday abroad and went to a club. From around 4am there were payments out of Mr and Mrs S's joint account. Later that day, Mr S contacted Barclays and disputed two of the transactions, totalling £1,000.

Barclays investigated. Meanwhile on 23 May, Mr S contacted Barclays again. He'd reviewed the account and had seen more transactions which had taken place on 17 May. So there were 5 disputed transactions in all, and they totalled £2,700.

Mr S told Barclays that he still had his cards in his possession, and hadn't received any suspect texts or phone messages, and hadn't downloaded any suspect app onto his phone. He said he hadn't written down or recorded his passcode anywhere. He told Barclays that at the club, he'd been drinking and remembered nothing about the evening.

Barclays investigated. It wrote to Mr S on 12 August. It said it hadn't found any evidence of fraud and the transactions had been properly authorised, so it couldn't offer a refund.

Mr S complained.

Barclays didn't uphold Mr S's complaint. In its final response letter, it said that the disputed payments had been made using Mr S's genuine Barclays Mobile Banking (BMB) device. Barclays hadn't been able to establish how Mr S's mobile, and the login to that mobile, had been compromised. There was no evidence of any third-party involvement in the disputed transactions, so it couldn't offer a refund.

Mr and Mrs S weren't satisfied and contacted this service.

Our investigator didn't uphold Mr and Mrs S's complaint. She said that while she understood Mr S couldn't recall what had happened, there was no evidence to suggest an unknown third party could have accessed his phone and made the transfers. So she considered the payments had been authorised by Mr S.

Mr and Mrs S didn't agree. Mr S said he had no recollection at all of the night, and believed he'd been manipulated into making the payments. Mr and Mrs S asked for an ombudsman's 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.

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them.

The regulations also say that account holders can still be liable for unauthorised payments under certain circumstances – for example if they've failed to keep their details secure to such an extent that it can be termed "*gross negligence*."

I've looked at the evidence in order to decide whether it's more likely than not that Mr S, or an unknown third party fraudster, carried out the disputed payments. Mr S said that he doesn't remember what happened at the club, but Barclays has provided technical computer evidence about the disputed payments.

The computer evidence shows multiple logins to Mr S's BMB app, from 3.43am onwards. They were all carried out on the mobile which Mr S had registered to his Barclays account since 2022. The logins were made using Touch ID, which used Mr S's biometrics, and also used passcodes. As the disputed payments went to three new payees, the computer also required Mr S to enter his five-digit passcode in order to set up the new payees.

I've considered how anyone other than Mr S might have made the disputed payments. Mr S had his mobile with him throughout, including at the end of his visit to the club. His biometrics were repeatedly used to access the phone and app, so this must have been Mr S himself. His five digit passcode was also used, and there are 100,000 possible combinations of any five digit number. So it's not likely that any fraudster could have correctly guessed Mr S's passcode.

I've also seen that the balance on Mr and Mrs S's account was over £3,400 after the five disputed transactions. If the transactions had been made by a third party fraudster, it's most unlikely they'd have stopped when there was still a large amount of money in the account.

After our investigator issued her view, Mr S said that he thought he'd been manipulated into making the payments at the club. I can't see that he suggested this to Barclays during its investigation. He also hasn't given details about this new suggestion – in other words, how someone at the club manipulated him into buying the goods or services available there. As he's previously said he didn't recall anything about what happened, and hasn't previously suggested it, I'm not persuaded by this new evidence.

Taking all this into account, I consider the disputed transactions were most likely to have been authorised by Mr S himself. I can't see how any third party could have repeatedly accessed the phone and app using Mr S's biometric data, or would have known Mr S's five digit passcode. And a fraudster would have taken more, and wouldn't have been likely to have returned the phone to Mr S, who still had it at the end of his visit to the club. If Mr S gave someone else his phone and told them his security details, and opened the app for them with his biometric data, that would be gross negligence.

As I consider it's most likely that Mr S authorised the disputed transactions himself, Barclays doesn't have to refund him.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 7 April 2025.

Belinda Knight  
**Ombudsman**