

The complaint

Miss S complained because Barclays Bank UK PLC refused to refund her for transactions which she said she didn't authorise.

What happened

In early October 2024, Miss S made three fraud claims on her Barclays account. She disputed:

- 75 transactions which had taken place between 4 and 16 September, totalling £4,213.26;
- 111 transactions which had taken place between 17 September and 8 October, totalling £6,784.50; and
- 5 transactions which had taken place between 3 and 10 October, totalling £339.91.

So the total disputed was £11,337.67.

Miss S told Barclays she'd had her card in her possession when the disputed transactions had happened. She told Barclays that she'd been shopping, and had noticed the balance was less than she thought. Miss S's phone had been registered to her account in 2023, and she told Barclays that no-one else had access to it, and it was protected by fingerprint.

Miss S also said she used a passcode to access her mobile banking, and this wasn't linked to her date of birth, wasn't stored anywhere, and wasn't known to anyone else.

Barclays blocked Miss S's card to prevent any more disputed transactions, and issued her with a new card. It investigated. On 21 November, it turned down Miss S's claim for a refund, and Miss S complained.

On 27 November, Barclays rang Miss S with the outcome of her complaint, and then issued its final response letter. It said that throughout the times of the reported frauds, Miss S had logged in using her mobile banking app, and she'd approved some of the transactions using that. Barclays hadn't been able to find any way that a third party could have compromised Miss S's device.

On the phone call, Miss S denied having logged in during the disputed transactions, and said she had a different model of phone from the one Barclays said she had. She said no-one else had access to her phone.

In the phone call and in the final response letter, Barclays provided Miss S, who was vulnerable, with information about housing and financial advice charities which she could contact.

Miss S wasn't satisfied with Barclays' final response, and contacted this service.

Our investigator didn't uphold Miss S's complaint.

She said that the disputed transactions started to debit Miss S's account on 4 September, and Miss S had logged in daily – but hadn't reported them until 8 October. And although

Miss S said the disputed transactions were carried out on a different device to the one she had, Barclays' computer evidence showed disputed transactions authorised on Miss S's own mobile banking app, using the same IP address (a unique computer identifier) as were used to make undisputed payments. Sometimes, disputed and undisputed transactions took place only seconds apart, so it was unlikely any third party fraudster could have made the disputed ones. And as Miss S had said her phone was never out of her possession, and no-one knew her passcode, it wasn't possible that anyone other than she had made the transactions.

Miss S didn't accept this and asked for an ombudsman's decision. She said she didn't often use her Barclays account as it was only for savings. She said the investigator hadn't taken anything she'd said into account. Barclays had said the transactions took place on a model of phone she'd never owned. She said this wasn't fair. She said she'd also asked Barclays for details of the companies that the transactions went to, but it hadn't provided this.

Our investigator replied to these points, including saying she'd listened to the call where Barclays told Miss S it wouldn't be refunding her, and Miss S hadn't asked for details of the companies the transactions went to. But she said Miss S could see the information on her statement and mobile banking app.

Miss S replied that she didn't make the transactions, and couldn't the investigator understand that people can hack IP addresses and bank account. She said she was so angry about this. She repeated what she'd told us about her personal circumstances.

The investigator said she was very sorry about Miss S's personal circumstances, but this service can't give financial help. She gave Miss S details of advice charities.

Miss S then said that she'd be willing to accept 50% of the claim. But the investigator explained that both Barclays, and she, believed Miss S had authorised the payments herself. She told Miss S that her suggestion would be put on the file for the ombudsman considering the case.

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.

First, I'm sorry to hear about Miss S's personal circumstances. But what decides the outcome here is the facts of the case, and the relevant legal regulations, not Miss S's personal circumstances. I hope that she'll find helpful advice from some of the advice charities which Barclays and our investigator suggested to her.

There are Regulations which set out what decides the outcome for 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*."

So I have to decide whether it's more likely than not that Miss S, or an unknown third party fraudster, carried out the disputed transactions. To help me with that, I have technical computer evidence about the detail of the disputed transactions, and about Miss S's account, as well as the evidence from Miss S and from Barclays.

The computer evidence shows that the device on which disputed transactions were made was a phone which Miss S had registered to her Barclays account in October 2023. Miss S

has said she doesn't have that phone. But she made undisputed transactions on that phone too. So I can't accept her evidence that she'd never had that phone.

The disputed transactions were also carried out using an IP address which the computer evidence shows Miss S used regularly for undisputed transactions.

Miss S also said that she had her phone at all times, and that no-one else had access, and that she hadn't written down her passcode. The fact she had her phone throughout is confirmed by the fact that there were also undisputed transactions, which took place very close to the times of the undisputed ones. I can't see how any third party fraudster unknown to Miss S could have obtained Miss S's phone so many times, then returned it without her knowledge.

Nor is there any way a third party fraudster could have known Miss S's passcode, as she'd said she hadn't told anyone, and hadn't recorded it anywhere. I don't know how many digits were in Miss S's passcode, but if, for example, it was a four digit number, there are 10,000 possible combinations of a four digit number – and many more if it was a longer passcode. So it wouldn't have been possible for any third party fraudster to guess Miss S's passcode.

I've also noted that Miss S told Barclays that her phone was protected by her fingerprint. So I can't see how a third party fraudster could have got past this biometric security too.

Miss S argued that IP addresses and bank accounts can be hacked. But that doesn't fit the circumstances here.

I've also borne in mind that Miss S didn't report the disputed transactions promptly. They started on 4 September, and it was over a month later, on 8 October, that she first reported them to Barclays. I recognise that Miss S said she used the account for savings and didn't check it regularly. But the computer evidence shows that Miss S did log on, very regularly. So I'd have expected Miss S to have reported the dispute much sooner, when she logged on and saw the transactions which she later reported as fraudulent. The fact that she didn't do so makes it more likely that she knew about the transactions and knew they were genuine.

Taking all these factors into account, I consider it's most likely that Miss S carried out the disputed transactions herself. So Barclays doesn't have to refund her.

Finally, dealing with Miss S's other points:

- I've listened to the phone call recording when Barclays told Miss S the outcome of her complaint. In that call, Miss S didn't ask Barclays for details of the companies to which the payments had gone. But in any case, the details are available on her statement.
- I note that Miss S suggested that Barclays should pay her 50% of the disputed transactions. But this isn't a situation for a negotiation. The outcome is decided, as I've set out above, by the Regulations. If I'd been persuaded that a third party fraudster, not Miss S, made the transactions, I'd have ordered a full refund. But as I've found that it's most likely that Miss S made the transactions herself, Barclays doesn't have to pay her any part of the disputed amount.

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 Miss S to accept or reject my decision before 24 February 2025.

Belinda Knight
Ombudsman