

The complaint

Mr L complained because Barclays Bank UK PLC refused to refund him for transactions he said he hadn't authorised.

What happened

On 31 July 2024, Mr L contacted Barclays and reported a number of disputed payments on his account. These had taken place on 30 July and the total was £4,995.51. Mr L said that someone else had changed his address, and had registered a new device onto his account without his knowledge.

Barclays investigated, but it refused to refund Mr L. He complained.

Barclays' final response letter didn't uphold Mr L's complaint. It said that the change of address had been made using Mr L's Barclays Mobile Banking app (BMB). It pointed out that the terms and conditions of the account set out that Mr L was responsible for keeping his BMB details secure, so Barclays wasn't responsible for any compromise to those details.

Barclays also said that the IP address (a unique computer identifier) used for the disputed transactions matched transactions which Mr L hadn't disputed. It also said that it had checked the card which was used for the disputed transactions. It had been sent to Mr L's registered address. So Barclays didn't uphold Mr L's complaint.

Mr L wasn't satisfied and contacted this service. He said there had been previous frauds on his account where Barclays had refunded him. He said this fraud was the same thing, and someone else had changed his address and added new phone numbers. Then on 30 July someone had transferred £2,000 from Mr L's other Barclays account into his current account, and had then taken £4995.51 out of his current account.

Our investigator didn't uphold Mr L's complaint.

- She explained that the disputed transactions were card payments made online using the 16 digit card number, expiry date and 3 digit security code. This card had been sent to his correct address on 8 July, and Mr L had been using this card for genuine transactions at the time of the disputed transactions – so he'd had the card at the time the disputed transactions happened.
- She also said that on 8 July, Mr L had logged in to add a new mobile via the Barclays app at 6.12pm. He'd logged in using biometrics, on his genuine, usual device which had been registered to his mobile banking since 21 June, and had regularly been used for undisputed transactions. A code had then been sent to Mr L's mobile number, and the new mobile had been registered and had logged in shortly afterwards. And Mr L had logged in again from his usual device at 6.15pm.
- She said that as the genuine phone had been used to register the new phone, whoever did this had had physical access to Mr L's phone, which used biometric

security. Also, it wasn't typical of opportunistic fraudsters to wait from 8 July to 30 July when the disputed transactions had taken place.

So the investigator thought it was more likely than not that Mr L had authorised the disputed transactions.

Mr L didn't accept this.

He said it wasn't a fair outcome, and he wanted to provide additional context. He said his account had been scammed four months earlier, in very similar circumstances, and Barclays had then admitted fault and refunded him after ten weeks. He said the disputed transactions had been taken in the same way, and he couldn't understand why Barclays wasn't liable, because it had agreed that Mr L's address had been changed. He sent a screenshot of his statement showing the changed address – and he said this meant Barclays had also sent his physical bank statement and other materials to that address.

Mr L 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.

What the Regulations say

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.

So what determines the outcome here is whether it's more likely than not that Mr L, or a third party unknown to him, carried out the disputed transactions.

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*."

Mr L's previous account history

Mr L disagreed with the investigator's view, saying that he'd previously had another fraud claim where he was refunded. But that isn't relevant to the issues here. What I have to decide is who is more likely than not to have authorised the disputed transactions on 30 July 2024. This is based on the specific evidence available in relation to these disputed transactions, not on previous ones. That's because every complaint is looked at on its own merits.

Who is most likely to have carried out the disputed transactions?

The disputed transactions were carried out using Mr L's card. He's said that the address was changed on his account by a third party, and sent a screenshot showing a bank statement with this address on. The address on his account was changed on 26 July. But Barclays sent out Mr L's latest card on 8 July, before the address change was made. I've seen the computer records of the address to which the card was sent on 8 July – and it was sent to Mr L's correct undisputed registered address. Mr L had then used that card to make an undisputed transaction on 10 July, and other undisputed transactions throughout July. Some of these undisputed transactions took place around the time of the disputed transactions. So

I find that Mr L had this card in his possession at the relevant time, and it hadn't been sent to a possible fraudster.

Mr L himself told Barclays that he still had his card in his possession at the time of the disputed transactions. I consider it's most unlikely that a third party stole Mr L's card from his possession without his knowledge, and returned it to him again also without his knowledge. But even if that did happen, any such third party would have needed more than possession of the card. The disputed transactions were carried out using the additional mobile which had been registered to Mr L's Barclays account on 8 July. That 8 July registration was done by a code being sent to Mr L's existing registered mobile, and that code then being correctly input. So I consider it's most likely that Mr L added this extra mobile himself.

If he didn't, he must have disclosed his Barclays security details either deliberately or by, for example, writing them down – but he'd told Barclays he didn't do this. Disclosure of secure details would mean that Mr L was liable for the transactions under the terms and conditions of his account. I've also borne in mind that the mobile app was logged into using Mr L's biometrics.

I've also looked at the computer IP evidence. This shows, as Barclays said in its final response letter, that disputed transactions used the same IP address as the IP address Mr L used for some of his undisputed transactions.

Finally, I've found that it's unlikely any third party fraudster had set up the additional phone on 8 July and used it with Mr L's card and security details. But if any such person had set up the additional phone, it's most unlikely they'd have waited to withdraw money until 30 July. There were successful logins using the additional phone between 8 and 30 July – but no money was taken until 30th. This is simply not typical behaviour for a third party fraudster, who would maximise their gain as quickly as possible.

Taking all these factors into account, I consider it's most likely that Mr L authorised the disputed transactions himself. So 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 L to accept or reject my decision before 1 May 2025.

Belinda Knight
Ombudsman