

The complaint

Miss D, a sole trader, complains that Barclays Bank UK PLC has declined to refund disputed transactions that were made from her business account.

What happened

Miss D is a sole trader, bringing a complaint about her business account held in the name of F. But for ease of reading, I'll refer to Miss D throughout this decision.

On 22 October 2024, two amounts of £250 were withdrawn from Miss D's business account after she says her wallet containing her multiple cards was stolen from her bag.

When Miss D discovered the disputed withdrawals, she contacted Barclays to report them as unauthorised and asked it to refund the money. But the bank didn't think it was liable for her loss. It said:

- It couldn't find any evidence to suggest the transactions were made by a third party.
- It didn't think this was fraud and wouldn't be refunding the disputed transactions.

Unhappy with this, Miss D referred her complaint to this service where it was considered by one of our investigators. She thought about how someone other than Miss D would've been able to obtain the Personal Identification Number (PIN) for Miss D's Barclays card – because Miss D says she'd never received it. Our investigator thought, despite Miss D's comments that she hadn't received it, that the PIN was most likely kept within Miss D's bag when her wallet was stolen, so she didn't find that Barclays should refund the £500 to Miss D's business account.

Miss D said she was very disappointed with our investigator's findings. She was surprised that our investigator had concluded it was most likely Miss D had the PIN in her bag, rather than someone found or stole the PIN, waited outside her flat, and followed Miss D to steal her wallet. She was very clear that she would never keep a PIN in her bag and highlighted further evidence that she said showed the transactions were unauthorised – such as some of her belongings being found in the area and returned to her two days after the theft. She also explained that other cards within her wallet had been used but the money refunded by the banks involved. She reiterated that the disputed transactions were not authorised by her, and that Barclays should refund them.

As no agreement could be reached, the complaint 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.

The Payment Services Regulations 2017 (PSRs) say, in summary, that a payment service provider should generally refund a transaction that comes out of one of their consumer's accounts that they didn't authorise. There are limited exceptions to this, such as when the consumer has breached their obligations to keep their security credentials secure either intentionally, or by being grossly negligent with them.

In this case, I realise that Miss D says she didn't receive the PIN for her card. From the bank's records I see it was posted to Miss D's home address on 3 October 2024, and the card was posted separately the following day.

Miss D says the theft happened on 22 October 2024 – the same day the two disputed withdrawals were made. I see from the evidence that further attempts were made to use the card afterwards, but they were declined. I also note that Miss D says other cards she had within her wallet were also used, but the disputed amounts were refunded by the banks involved. I accept that the activity on the account is indicative of someone trying to maximise the use of the card as quickly as possible, which could be said to be the actions of an opportunist fraudster. I also thank Miss D for telling us about the contact she received days after the withdrawals were made, from someone who had found other items that were stolen from her. I've no reason to disbelieve what she's told us about this.

Whilst Miss D doesn't know how someone was able to gain knowledge of her PIN, she's said it's possible that someone came into possession of the PIN letter and then waited outside of her flat to follow her to steal her wallet containing the card. Whilst this isn't impossible, I don't consider it the most likely explanation as to what happened. This requires a thief to be walking around the back of some shops (where Miss D's front door is located), see a letter that happens to be a PIN sticking out of her letterbox, keep it, then wait about for two to three weeks trying to follow her to steal her bag. I find this very unlikely.

Like our investigator, I've also considered the possibility of the PIN letter being in Miss D's bag. I consider this more likely to be the case than the scenario above – although I know Miss D will disagree. It's possible Miss D forgot, or didn't realise she'd put it there in the first place, but as we know the PIN was used to make the withdrawals, the person using the card would've had to get it from somewhere. And on balance, I find this is more likely to have happened.

Whilst I'll never know for sure what happened here, my role as an ombudsman is to consider all of the available evidence and arguments, as well as the relevant regulations, when reaching an impartial decision. Having considered everything available for this case, I've decided it's fair for Barclays Bank UK Plc to hold Miss D liable for the disputed withdrawals. So I don't require it to do anything differently here.

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 D, on behalf of F to accept or reject my decision before 28 October 2025.

Lorna Wall
Ombudsman