

The complaint

Miss A complains that Barclays Bank UK Plc are holding her liable for a loan application and payments made on her account that she says weren't her, because they took place following the theft of her phone.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. Miss A says that on 2 November 2024 her phone was stolen from her whilst she was at work. She says that on 4 November 2024 she received a letter from Barclays confirming a £10,000 loan that had been agreed in her name. Miss A contacted Barclays to say she hadn't applied for the loan, neither was she responsible for certain payments that had also been sent from her account after the theft of her phone.

Barclays say they investigated and concluded that Miss A was responsible for the loan and the payments from her account. Miss A complained and when Barclays maintained their position she referred her complaint to our service.

One of our Investigators didn't recommend the complaint should be upheld. In summary she was supportive of Barclays' position and didn't think they'd treated Miss A unfairly. Miss A disagrees and has asked for an Ombudsman to review her complaint.

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've reached the same outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Miss A, so I'll explain why.

Clearly, I wasn't present when the loan was applied for or the disputed payments were made. So, I can never know with 100% certainty what happened. In such circumstances I have to make my findings on the balance of probabilities, that is what I think is more likely than not to have happened, given the available evidence.

Miss A says that her phone was stolen (and she has provided evidence to support that this was reported to the police, and an insurance claim was made). She's also said that she wasn't responsible for the loan application or payments from her account. Miss A told Barclays when reporting matters that she didn't have biometrics or a passcode set up on her phone. She has also shared with our service some evidence from her phone provider which suggests the last use of her phone was on the morning she says it was stolen.

But balanced against that, Barclays have evidenced that Miss A (prior to when she says her phone was stolen) had previously accessed her Barclays Mobile Banking (BMB) through the

use of both a passcode and or biometrics. The loan was applied for from within a BMB session that was logged into via the correct passcode being used. Miss A has suggested someone could've watched her enter this previously. I'm not persuaded that is more likely than not what happened. I say this because at least some of the payments that Miss A disputes were transfers made from BMB sessions that had been logged into using biometrics –something I don't think a third party could've done (even if I were to accept that a third party had previously viewed her passcode). I also don't place a lot of weight on the evidence from Miss A's phone provider as it's plausible that the use they are referring to might be a call or text message, rather than also referring to Wi-Fi or data usage.

The pattern of spending also doesn't entirely match what is usually seen with unauthorised account access. Specifically the first disputed payment for £60 to what Barclays say was an existing payee. Normally someone who had access to an account would try to maximise their benefit and not send money to people their victim had paid before. In addition to the BMB sessions where payments were sent, there are numerous instances of logins using biometrics across 2, 3 and 4 November 2024.

Overall, I find the technical evidence from Barclays to be more persuasive than Miss A's testimony and evidence. I find it difficult to explain why Barclays systems would've recorded such biometric use if it wasn't Miss A accessing her phone at the relevant time. And this causes me to question her overall testimony about the loan and her passcode too. As a result of this, I don't think I can say that Barclays have acted unfairly when holding Miss A liable for the loan and the disputed payments. I think it's more likely than not that Miss A had involvement in the loan application and the payments she disputes such that this is a fair outcome. It follows that there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 5 November 2025.

Richard Annandale
Ombudsman