

## **The complaint**

Mr Q complains Barclays Bank UK PLC unfairly closed his account and applied a Credit Industry Fraud Avoidance System ('CIFAS'- the UK's fraud alert service) marker against his name.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr Q held an account with Barclays, which was opened in August 2022.

On 14 September 2022 Barclays wrote to Mr Q explaining that it had restricted Mr Q's account and asked for details about an incoming payment of £1,000 to establish his entitlement to it and ensure it was legitimate.

Mr Q didn't provide the necessary details and given the lack of response and other account activity Barclays issued a notice to close letter on 23 September 2022. This explained that the account would close immediately, in line with the account terms and conditions. Based on the evidence it had in October 2022 Barclays loaded a CIFAS marker against Mr Q's name.

Mr Q raised a formal complaint about the application of the marker in late September 2024. Barclays reviewed Mr Q's concerns and issued a final response letter on 8 October 2024. Within this response Barclays explained that Mr Q's account had been closed following a review, and details of this internal process couldn't be provided. But it confirmed the decision had been assessed and was deemed to be correct. Barclays also explained the CIFAS loading was carried out in line with banking regulations. It said that it was unable to remove the loading, and Mr Q hadn't been able to provide any further information about specific account transactions.

Mr Q didn't think Barclays' review was fair and referred the complaint to our service. Mr Q highlighted the impact the CIFAS marker was having on him and maintained he hadn't acted improperly. An Investigator looked into Mr Q's complaint and gathered the relevant evidence. This included asking Mr Q for details of the account activity. Mr Q explained the account was used for investing in crypto and he didn't have contact with the individual who made the payment in. The Investigator didn't think the complaint should be upheld. The Investigator explained this was because:

- The loading of a CIFAS marker was fair and Barclays had provided evidence to show the standard of proof had been met.

Mr Q didn't accept the Investigator's findings and maintained he had been treated unfairly. As no agreement could be reached the complaint was referred to me – an ombudsman – for a final 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.

I appreciate Mr Q was disappointed by the Investigator's opinion. I'd like to reassure Mr Q that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr Q, but I'd like to reassure him that I have considered everything that he's told us.

As a UK financial business, Barclays is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.

As part of these regulatory duties, businesses will use databases to share information. CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud. When a bank is a member of CIFAS, it can record a marker against a customer when that customer has used their account fraudulently. This type of marker will stay on a customer's record for a specific period, depending on the customer's age and will usually make it difficult for that customer to take out new financial products. CIFAS forms an important part of the financial services regulatory framework and is intended to assist in the detection and prevention of financial crime.

In order to file such a marker, Barclays is not required to prove beyond reasonable doubt that Mr Q is guilty of a fraud or financial crime, but it must show that there are grounds more than mere suspicion or concern. CIFAS says:

- There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; and
- The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police.

What this means is that Barclays will need strong evidence to show that Mr Q has used the account to receive fraudulent funds. A CIFAS marker shouldn't be registered against a customer who has acted unwittingly – there must be evidence of a deliberate fraudulent action. The application of a CIFAS marker can have serious consequences for an individual, so this service expects business to carry out a thorough review of the available evidence.

My role is to establish if Barclays has sufficiently demonstrated it has met the burden of proof set out by CIFAS to load the marker against Mr Q. Barclays has provided this service with details of the investigation it carried out following the fraud report it received. This included a detailed review of Mr Q's account activity. At the time it loaded the marker against

Mr Q he hadn't provided specific details about the incoming payment. Given the lack of engagement from Mr Q, and the evidence it held, I think Barclays acted reasonably in loading the marker against Mr Q based on the evidence it held.

However, when Mr Q raised a complaint about the application of the marker a further review was carried out. At this stage Mr Q didn't provide any further explanation around the incoming payment and account movements. Barclays therefore maintained its decision to load the CIFAS marker against Mr Q. I think this is fair given there had been no material change in the evidence available to Barclays.

When Mr Q referred his complaint to this service he provided additional details regarding the payment. Mr Q said the account had been opened for the sole purpose of crypto trading, and this was why there were no other transactions on the account. Mr Q said he didn't have any communication with the individual who sent his account money, but referenced working in a phone shop and selling a phone to this individual as he got it for a good price. Mr Q also mentioned his account being used by other people and other devices were connected to it. Mr Q said this had been raised with the police and asked us to contact them for more details.

The Investigator didn't find this evidence persuasive, and after reviewing Mr Q's comments and submissions, I also don't find it persuasive. Mr Q hasn't provided details of the incoming payment Barclays queried. Although Mr Q has referenced police involvement, no specific details of this have been provided. Further, the technical data from Barclays doesn't support his comments about his account being accessed by unknown third parties.

I've also considered the overall account activity. The account was opened shortly before the funds in question were paid in. Mr Q doesn't appear to use his Barclays account for daily spending and payments in are promptly transferred out by Mr Q to another account. Overall Mr Q's comments and the supporting evidence don't allay the concerns regarding fraud and clearly show he is entitled to the funds that were paid in.

My review of this information, alongside the submissions made by Barclays to this service has led me to the same view reached by the Investigator. The evidence available equates to more than mere suspicion or concern of fraudulent activity. I therefore find that the marker was loaded fairly. I would encourage Mr Q to contact CIFAS directly for further details regarding how long the marker will be applied against him in light of his age. Barclays has also explained there was a small balance on his account when closed and it is able to transfer this to Mr Q if he provides account details.

I appreciate Mr Q will be disappointed with my decision and I fully appreciate the impact the fraud marker is having on him. But I am satisfied Barclays acted reasonably in taking this action to discharge its regulatory obligations. I hope my decision provides some clarity around why I won't be asking Barclays to take any further action.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 30 April 2025.

Chandni Green  
**Ombudsman**