

The complaint

Mr C complains Barclays Bank UK PLC recorded a marker against him at Cifas, a national fraud database and closed his account. He doesn't think it's treated him fairly.

What happened

A summary of what happened is below.

Mr C had an account with Barclays. In May 2023, it was credited with payments from a third-party, through bank transfers. Mr C spent these and also withdrew some of the money at cash machines overseas. However, the payments were later reported as fraudulent because the bank from which they had come notified Barclays that its customer had been the victim of a scam. This was in October 2023.

Barclays restricted the account and requested information to support why Mr C had received the payments. Mr C also called the bank to say that he was abroad, and his card had been blocked - he wanted to know why. Barclays explained why it had placed the account under review and asked him questions. Mr C said the funds were from someone he knew personally who had lent him money. The agent asked Mr C if he had any proof of this and he replied, no. He couldn't understand why the bank was querying the payments many months after they had been sent. He stressed that he needed his card unblocking, so he could fly back to the UK.

Barclays kept the account restricted and following its review, it decided to close it. At the same time, it also filed a misuse of facility marker at Cifas, as it believed Mr C had been complicit in receiving fraudulent funds and benefitting from them.

Mr C found out about the marker later and he complained to Barclays in October 2024 that he'd not done anything to cause this. He said the marker was affecting his ability to get a bank account, and he'd simply received money from a friend who owed him. He said he'd also priced a job for them, but they'd later fallen out.

Barclays reviewed the information but didn't think it had made a mistake in the steps it had taken. Dissatisfied, Mr C came to us. In doing so, he said what had happened:

- He'd agreed to do a job for the person that had paid him. The payments were for materials. He'd bought those using cash, but they'd then had a falling out, so the job didn't go ahead. He'd given his friend the opportunity to collect the materials, but he hadn't engaged.
- This was a civil matter and Barclays shouldn't be involved.
- He no longer had the WhatsApp messages of communications between him and his friend because he'd deleted them after they were no longer in touch.

One of our investigators looked at the case. They acknowledged what Mr C had said and provided but they didn't find his explanation plausible, when looking at the bank's records. They noted Mr C's testimony wasn't supported by anything else, and they'd identified some inconsistencies in what he'd said over time. In the circumstances, they concluded Barclays

had enough evidence to justify recording the fraud marker and closing the account.

Mr C didn't agree. He said he had been wrongly accused of being involved in fraud. He'd tried to get more information to prove he'd not done anything wrong and would be meeting a solicitor about this.

When the investigator didn't change their mind, the case was put forward for a decision, as the second and final stage of our process.

Mr C was given more time to collate any further information he wished to rely on. Two further deadlines were provided. These have now passed.

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.

This includes all the information provided after the investigator's opinion letter.

I'm sorry to disappoint Mr C but I'm not upholding his complaint.

The marker that Barclays has filed is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. To file such a marker, it's not required to prove beyond reasonable doubt that Mr C is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant guidance 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.

What this means in practice is that a bank must first be able to show that fraudulent funds have entered Mr C's account, whether they are retained or pass through the account.

Secondly, the bank will need to have strong evidence to show that Mr C was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity.

To meet the standard of proof required to register a fraud marker; the bank must carry out checks of sufficient depth and retain records of these. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think Barclays has enough evidence to show fraudulent funds entered Mr C's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

Barclays has provided evidence that it received a report from another bank, saying that funds which entered Mr C's account were because of a scam. Looking at what was reported, I'm satisfied the bank was alerted to a possible scam and needed to make enquiries to meet its regulatory obligations to investigate such matters. I appreciate Mr C has wanted to see the report but all the key points from it have already been shared with him by the investigator. Considering this, I don't consider it necessary to share any further information.

At the time of the report, Mr C spoke with the bank. I've listened to these calls (and others).

Mr C was made aware of the payments Barclays was querying. He said this was money his friend had loaned to him. But at no point did he mention the funds were to do with a job he'd priced for. And given he later said that the parties had fallen out because he wasn't prepared to pay for a hotel whilst he did the job, I'd have expected him to mention such a disagreement straight away. I appreciate the investigation was in October but from Mr C's testimony, the disagreement was significant so the delay doesn't explain why he couldn't mention what he subsequently said. This indicates Mr C wasn't telling the bank everything.

I've thought carefully about what he's said, but I'm afraid I don't find key aspects plausible. I've noted Mr C's comments about this being a civil matter and nothing more to it. But there isn't proof he then bought materials for work he was going to do and there aren't any messages available about what he says happened next. Added to this, is the fact that the funds were withdrawn quickly, so it does appear Mr C benefitted/gained from the funds in circumstances when he shouldn't have.

I am sympathetic to the effect the marker is having, but I'm satisfied Barclays had enough information to support its actions, with the report it received, the funds being withdrawn quickly and there being little or no supporting evidence to demonstrate Mr C was entitled to keep them. It follows that the bank wasn't unfair in recording the marker or indeed in closing the account (there's provision for that within the account agreement).

I'm sorry this isn't the outcome Mr C was hoping for, but it follows that I won't be requiring Barclays to delete the marker or do anything with the old account. As this is our final stage, this completes our review of the complaint.

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 C to accept or reject my decision before 17 June 2025.

Sarita Taylor
Ombudsman