

The complaint

Mr M and Mrs A complained because Barclays Bank UK PLC refused to refund them for payments which they said they hadn't authorised.

What happened

On 21 June 2024, Mr M contacted Barclays. There had been three Barclays Mobile Banking (BMB) payments on his and his wife Mrs A's account, which he said they hadn't authorised. One was for £35 on 13 June, followed by two more on 17 June for £40 and £60.

Barclays investigated, but declined his claim on 10 July.

In July, Mr M contacted Barclays again, about two more disputed transactions. One had taken place on 14 July for £80 and the other on 16 July for £140.50.

Barclays investigated but declined this claim too. Mr M and Mrs A complained. The total of the five disputed transactions was £355.50.

Barclays' final response letter said that the disputed payments had been made using Mr M's genuine BMB devices, BMB passcode, and debit card details. As Mr M had said the BMB devices and debit card remained in his possession, Barclays hadn't been able to see how these could have been compromised. It said there was no evidence of any third-party involvement, so it couldn't offer a refund.

Mr M and Mrs A weren't satisfied and contacted this service.

Our investigator didn't uphold Mr M and Mrs A's complaint. He explained that the disputed payments had been made using their passcode and Touch ID, with no-one else having access to the details which were used to log in to their account. He said that the payments could only have been made by Mr M or Mrs A, or by someone else to whom they'd given permission and access to their device and online banking credentials.

Mr M and Mrs A didn't accept this. They said that £355.50 wasn't a small amount for them to let go quickly. Mr M said that 100% he hadn't committed this fraud, and his wife never had online banking on her phone. Mr M also said that fraud had kept happening on his account, and he'd also had similar problems with a different bank. He said it wasn't fair that he and his wife were being blamed, and asked for an ombudsman's decision.

Mr M also said that they were unhappy because Barclays had since closed their account for no reason.

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.

First, I'll explain what this decision can and can't cover. Mr M recently told our investigator that they were unhappy that Barclays had since closed their account. However, there are rules about what this service can and can't consider. One of those is that we can only consider complaints where the customer has already brought a complaint with the relevant bank. As Mr M said they haven't complained to Barclays about the account closure, it's not something I can consider as part of this complaint. They'll need to contact Barclays about this first. So my decision relates to the other points, which Mr M and Mrs A have previously raised with Barclays.

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. 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*."

So what I have to decide is whether it's more likely that Mr M or Mrs A, or a third party fraudster, carried out the disputed transactions.

Who is most likely to have authorised the disputed transactions?

I've looked at the technical computer evidence about the payments. This shows that the payments were made using a BMB device linked to Mr M's genuine mobile phone. For the first three payments, the BMB device had been registered to Mr M's profile for some time. After Mr M disputed the first three payments, a new BMB device was set up, and this was used for the fourth and fifth payments. The registration for this was done through a secure system called PINsentry, a device which generates unique 8-digit codes, and this BMB device too was linked to Mr M's existing, already-registered, mobile phone.

The authorisation for the payments took place using a mixture of Mr M's BMB passcode, and BMB Touch ID. The passcode has 5 digits, and there are 100,000 possible combinations for any 5-digit number. So it's not likely that any third party fraudster could have guessed this correctly. And Touch ID is a biometric form of security, so again it's not likely that any third party fraudster could have used this.

The computer evidence also shows the IP addresses for the disputed payments. An IP address is a unique computer identifier. I've seen that the IP addresses where the transactions were authorised had been used before or afterwards for genuine payments.

Mr M told Barclays that the BMB device remained in his possession, and he was the only person with access to it. He also said that his mobile's passcode and BMB passcode weren't written down, or known to any third parties. He told Barclays he hadn't had any phishing emails, texts, or any impersonation calls.

I've considered whether the transactions might have been carried out by someone who had regular access to Mr M's devices and personal security information, who might have made these payments without his authority. But as well as having physical access to the device, any such person would have had to have known Mr M's security information, which he said he hadn't disclosed or written down. This is in line with a customer's responsibility to keep their details safe, but it means it's not possible to see how any third party fraudster could have obtained these. And I also can't see how any such fraudster could have used Mr M's biometric login.

Finally, the pattern of the disputed payments doesn't match that of a typical fraudster. The five payments took place between 13 June and 16 July, and were spread out with several gaps in between. They were also for relatively small amounts, at a time when the balance of Mr M and Mrs A's account was significantly higher than the amounts taken. It's not likely that a third party fraudster with any way of accessing the account would have taken five relatively small amounts over more than a month, when there was a much higher balance available in the account.

For all these reasons, I consider it's not likely that the disputed five payments were carried out by a third party fraudster. I consider the disputed payments are most likely to have been carried out by Mr M or Mrs A, or by someone whom they allowed to make the payments and provided with the relevant facilities and information to make the payments. So I don't uphold this complaint, and Barclays doesn't have to refund them.

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 M and Mrs A to accept or reject my decision before 7 July 2025.

Belinda Knight
Ombudsman