DRN-5622721

The complaint

Mr S is unhappy that approximately £500 was deducted from his Barclays Bank UK PLC (Barclays) account which he says he didn’t authorise.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In summary, Mr S says that he lost his card and believes that somebody saw his PIN when he withdrew cash from a cash machine.

He says that he didn’t authorise the subsequent transactions completed on that card and is unhappy that he didn’t receive notifications from Barclays about these transactions. If he had he says he would have realised that his card was missing and could perhaps have taken steps to prevent further transactions from leaving his account.

Barclays says that they are unable to identify a point where Mr S’ PIN was compromised so are satisfied that he authorised the transactions.

The investigator concluded that Barclays fairly concluded the transactions were authorised. As an agreement wasn’t reached this complaint has been passed to me to review.

Following my provisional decision dated 10 July 2025 Mr S responded disagreeing with my decision. I’ve carefully considered the points he’s raised.

Mr S is unhappy that Barclays have taken steps on his account while we were looking into his complaint. Despite Mr S having a complaint with us he still has an ongoing relationship with Barclays – so I don’t agree that they shouldn’t take any action on his account. If Mr S is unhappy with the steps Barclays has taken on his account while the complaint has been at our service he can raise a new complaint with Barclays about this.

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’m not upholding this complaint.

Before I set out my thoughts, I want to acknowledge that I have summarised this complaint briefly and in less detail than has been provided. I’ve focused on what I think is the heart of the matter. While I may not comment on every point raised, I have considered it. I’m satisfied that I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this and reflect the fact that we are an informal service and a free alternative for consumers to the courts.

Generally speaking, Barclays is required to refund any unauthorised payments made from Mr S’ account, and Mr S should only be responsible for transactions made on his account that he has authorised. Those rules are set out in The Payment Services Regulations 2017. Mr S says he didn't authorise the transactions, so I have to decide whether or not I think Mr S authorised the transactions he's disputing.

Mr S said that the last time he saw his card was when he withdrew cash from a busy high street. Mr S explained that he wasn't distracted during this process but noted that two individuals were staring at him. He says he put his card in his pocket and didn't realise for some time that it was missing as he didn't need to use it and was busy with family matters. He also says he lost cash that was in his pocket. There is nothing to suggest that Mr S stores his PIN with his card.

Barclays internal notes also show that there were no recent PIN changes to Mr S' account.

Barclays have provided internal notes which show that a disputed transaction was authorised using Mr S' PIN and that during a disputed cash withdrawal the chip associated with Mr S' specific card was read. I'm therefore persuaded on balance that the transactions Mr S is disputing were authenticated either by chip and PIN or by contactless payments using Mr S's genuine card.

As such, I'm persuaded that whoever completed the transactions Mr S is disputing had access to his card and knew his PIN. I also think the timeline of the transactions is important here, along with the pattern of spending. Mr S says that the last transaction he authorised (and used his PIN) was at around 3pm. However, the disputed transactions don't appear to occur until sometime later. There is a £199 payment to a third-party store that is completed using Mr S' chip and PIN at around 5pm. And there are multiple cash withdrawals for minimal amounts that appear to not occur until around 10.45pm that day.

I appreciate Mr S' point that fraudsters could delay using his card to avoid detection.

However, the delay also makes it more likely that Mr S would realise his card is missing and cancel it, which is why it is common for fraudsters to use the card immediately. The timeline of the transaction is important along with the pattern of spending, as it makes it more likely that the transactions weren't completed by an unknown third party.

There are also multiple declined and authorised transactions that took place after the genuine transaction Mr S says he authorised. I've also noted that the genuine cash withdrawal Mr S says he made occurred after a declined transaction due to insufficient funds. Given that, I'm persuaded that at least one of these declined transactions was completed by Mr S. I have considered all transactions (declined and authorised) following from when Mr S said he last used his card to see what is most likely to have happened and if Barclays acted unreasonably in treating the subsequent transactions as authorised.

I'm satisfied on balance, after reviewing the information, that the disputed transactions were authenticated using Mr S' genuine card and that some of the transactions were completed using Mr S' PIN. And I haven't been provided with a plausible explanation for how Mr S' PIN was compromised and his card stolen, allowing another individual to authenticate the transactions.

To decide if Mr S authorised the disputed transactions, I not only need to be satisfied the transactions were authenticated (as I've said above, I think they were), but I also need to be persuaded Mr S consented to the transaction.

Below are the three possible scenarios regarding consent:

a) Mr S consented to the disputed payment transactions himself.

b) Mr S provided authority to a third-party to consent to the disputed payment transactions.

c) A third party, without Mr S's authority, gave consent to the payment transactions.

In scenarios (a) and (b), Mr S authorised the disputed payment transactions, so redress would not be available to him. In scenario (c), Mr S did not authorise the transactions, so redress is potentially available.

Mr S denies making the transactions himself and hasn't said he provided authority for a third party to make the transactions on his behalf. I've thought carefully about what he's said, but I'm not persuaded scenario (c) is likely.

For a fraudster to have made all of the disputed payment transactions they would have needed to have access to Mr S' card and would have needed to have known his PIN. While I appreciate Mr S' point that it would have been possible for a third party to have seen his PIN when he withdrew cash and then subsequently stole his card there isn't enough here for me to say that that's likely what happened here. And I haven't been provided with another explanation or plausible explanation as to how a third party would have had access to both Mr S card and PIN details.

I appreciate Mr S' point that an IT issue with Barclays allowed funds to leave his account that he didn't have. He has reiterated this point following the provisional decision saying that Barclays didn't provide him with sufficient warnings. And he's unhappy that a customer with zero funds was held liable for "system-authorised payments".

However, I've noted immediately prior to Mr S withdrawing £100 from an ATM it appears he completed a balance enquiry – so I think it's likely that he was aware of the funds in his account. Despite this, it appears that he tried to withdraw more funds than were in the account before successfully withdrawing £100. I've also noted that before the balance enquiry it appears that Mr S logged into his online account and tried to transfer £1,000 despite his account having insufficient funds (and in fact having substantially less, around £100). The information I've been given also shows that £199 transaction Mr S is disputing occurred at roughly 5pm and I can see that there were logins to Mr S' online banking at roughly 5.10pm and 5.20pm – so it is possible that he was able to see this transaction on his online account and then take steps to block his card at this time.

The fact that the transactions shouldn't have been allowed is why I'm recommending that Barclays doesn't charge Mr S interest or charges on the outstanding amount. However as I'm satisfied that the payments were correctly authorised and Mr S was aware of the available funds in his account before the payments were authorised, I'm satisfied that it is fair for Barclays to pursue Mr S for the outstanding amount.

Barclays has agreed to arrange a repayment plan with Mr S and have explained that he would need to need contact them so that they could do various income and expenditure checks to ensure that any amount repaid is affordable in the timeframe given.

Following my provisional decision Mr S reiterated that he didn't authorise the transactions and I've carefully considered all the information both he and Barclays have provided. I'm not saying that Mr S' version of events isn't possible. It is possible that an unknown third party looked over his shoulder when he withdrew cash and subsequently stole his card from his pocket (or the card fell from Mr S' pocket). However, after carefully reviewing all the information given I'm not persuaded that's what most likely happened here. There isn't enough here for me to say that Mr S' PIN was most likely compromised.

I appreciate that Mr S will be disappointed. But for the reasons I've explained I'm persuaded it was reasonable for Barclays to treat the transactions as authorised and to therefore not refund them.

Barclays also provided Mr S with a temporary refund of the amount disputed while they conducted their investigations. Barclays also confirmed that Mr S has not incurred any charges due to this amount leaving his account.

As I'm ultimately persuaded that the disputed transactions were authorised by Mr S, I don't think Barclays have acted unfairly in saying that he is responsible for paying the funds back.

My final decision

My final decision is that I do not uphold this complaint, and that Barclays Bank UK PLC should arrange an affordable repayment plan with Mr S, and if this means the debt is repaid in six months from the date of this final decision then Mr S shouldn't be charged interest or fees.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 September 2025.

Sureeni Weerasinghe
Ombudsman