

The complaint

Mrs J has complained about Barclays Bank UK PLC not refunding a transaction which she explained she didn't make or otherwise authorise.

What happened

In November 2024, £490 was paid from Mrs J's Barclays account to a payment processing merchant via open banking. This had been funded by a transfer from Mrs J's ISA to her current account. This was done on a device which Mrs J didn't normally use, which had been registered to her account back in July 2024. There were also attempts to set up direct debits.

Mrs J explained she didn't authorise the £490 payment. She said she vaguely remembered speaking to someone in July 2024 who might've been impersonating Barclays, though she couldn't remember any details of the conversation.

Barclays held Mrs J liable for the payment in dispute, on the basis that Mrs J had registered the device it was made on. They accepted they'd handled her calls poorly, though, and failed to log the attempted direct debit fraud at first. So they paid her £100 compensation for that.

Mrs J came to our service and we looked into things independently. Our first Investigator upheld the complaint due to a lack of evidence from Barclays. Barclays provided the evidence we needed, and our second Investigator didn't uphold the complaint. Mrs J asked for an ombudsman's decision, so the complaint's been passed to me to decide.

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.

To clarify, my decision here is not based on a judgement of anyone's character. I'm just assessing what's most likely to have happened based on the evidence I have.

Broadly speaking, Barclays can hold Mrs J liable for the payment in dispute if the evidence suggests that she authorised it, or that she failed to keep her account safe either intentionally or through acting with gross negligence.

From the technical data, I can see that the £490 payment was made using a device which had been registered months prior. That device was not Mrs J's normal phone. But back in July 2024, it was registered using a code generated on Mrs J's usual mobile phone and her existing Barclays app. As part of registering that device, I can see that Mrs J logged into her Barclays app on her usual phone via her usual internet connection, generated the code needed, then that code was then entered on the new device to register it.

So from what I can see, Mrs J generated and provided the code to set up that new device, even if she no longer recalls doing so. That essentially leaves two broad possibilities: either that Mrs J meant to set up that new device, or that she was tricked into doing so.

That new device went on to drain Mrs J's ISA and send the money on via a merchant she'd not used before, and that payment was made via a different internet connection to the one she normally uses. It also looks like there were some attempts to set up fraudulent direct debit payments. And Mrs J has given us consistent and credible testimony about being defrauded. So I don't think it's most likely that she authorised the payment, or that she was "scamming herself" as she put it. I think it's more likely that the remaining possibility is true: that Mrs J was tricked into giving a scammer access to her online banking. Mrs J did vaguely recall speaking to someone around the time who may have been impersonating Barclays, though unfortunately she can't remember what happened there.

While I appreciate that Mrs J may well have been taken advantage of by a scammer, that doesn't automatically mean that Barclays are liable for the £490 payment. While I do appreciate that scammers can be persuasive, in order to generate the code for the new device, Mrs J went through a process which would've made it clear that she was giving a new device access to her account, and which would've warned her about these sorts of scams and how important it was not to give that code away. But I can see from the technical data that, despite being warned, Mrs J generated that code on her app on her usual phone, and that code was given away to activate the new device. And Mrs J hasn't been able to tell us anything about the scam which means I could reasonably conclude that she had good reason to do this.

I'm afraid that means Mrs J failed to keep her account safe in line with the terms and conditions. It may be that she did this knowingly, or perhaps more likely by not taking enough care. But it is widely understood that giving someone else full access to one's online banking is exceptionally risky, since they're then free to make online payments like the one here, without the bank knowing you don't want them to. And there's no other more plausible conclusion I can reasonably reach about what happened here.

So while I don't think that Mrs J was being dishonest or scamming herself, I find that in registering that other device, she failed to keep her account sufficiently safe, even if she doesn't recall doing that or didn't fully appreciate what she was doing. So I can't hold Barclays liable for the resulting payment. This is a difficult message for me to give, and I know it's a difficult message for Mrs J to receive. But given the evidence I have, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

I also appreciate that Mrs J felt a great deal of distress about the matter, for which she has my sympathy. I'm grateful to Mrs J for being open and candid with our service about how she's felt. I must bear in mind that it's the scammer who'd be primarily responsible for any fraud they committed and the resulting distress, rather than Barclays. As I mentioned above, Barclays didn't know that Mrs J didn't want the payment to go out at the time, given it was made on a device which Mrs J had approved months earlier.

I do see that Barclays added to Mrs J's existing stress in the way they handled the lengthy calls involved, and in not initially dealing with the direct debit issue properly. So I find they added some acute stress and inconvenience onto the situation, which went beyond the frustration one might reasonably expect from day-to-day life. Taking into account the impact that Barclays' handling of the matter caused, along with the guidelines for compensation which I must be consistent with, I find that the £100 they've paid was fair to put that right.

My final decision

For the reasons I've explained, I don't uphold Mrs J's complaint in this case.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 17 September 2025.

Adam Charles
Ombudsman