

The complaint

Mr N complains that Barclays Bank UK PLC (“Barclays”) unfairly lodged a fraud marker against him.

What happened

Mr N’s Barclays account received a payment for £3,582.06. Mr N transferred £576.06 of the funds to another of his own accounts and then withdrew the bulk of the remaining funds in cash.

Barclays asked Mr N about the payment after receiving a report from another bank that the funds were the result of fraud.

Mr N told Barclays the money was lent to him by a friend who he’d met some years earlier.

Mr N provided a copy of his account showing the payment he’d transferred from the Barclays account, but didn’t provide any additional evidence of the arrangement to loan him the funds. He told Barclays he only spoke with his friend over the phone and didn’t know the person whose account had been used to send him the funds.

Barclays weren’t satisfied with Mr N’s response and told him they were closing his account immediately. They also lodged a fraud marker with CIFAS – a fraud prevention organisation.

Mr N didn’t find out about the marker straight away and when he realised what had happened, he asked Barclays to remove it as he didn’t believe it was warranted. Mr N denied knowing that the funds were the result of fraud and said the money was a loan to help him out financially. Mr N lodged a complaint with Barclays.

He produced a few messages (dated a few months after the payment was received) purporting to be from the people involved in the loan to him. Mr N said he was only expecting between £400 and £500 from the friend and had paid the rest back in cash. Barclays reviewed the information but declined to remove the marker.

Mr N remained unhappy and brought his complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into the matter and asked both parties for evidence in respect of the complaint.

Mr N explained his situation and confirmed he was only expecting between £400 - £500. He was told there had been an overpayment and that he was to withdraw the remaining amount in cash and hand it over at a train station – which he did. Mr N denied knowing anything about fraud and said no one asked him to receive this payment. Mr N said that upon reflection, the arrangement seemed to be made to “...bring confusion and mask trail”.

After reviewing the evidence, the investigator didn’t think that Barclay’s had acted unfairly when they applied the fraud marker.

It was commented that Mr N hadn’t told Barclays the details about the arrangement or the overpayment when it first came to light. Also that the names of the people on the messages

were different to those that Mr N said were involved.

The investigator didn't think it likely someone would make such an overpayment and then ask for it back in cash. Overall the investigator wasn't persuaded by Mr N's testimony.

Mr N disagreed with the investigator's outcome and asked for a further review of his complaint. He made numerous comments that in summary said:

- He didn't know the alleged victim and the funds were sent without his knowledge or that they were fraudulent.
- Barclays should have intervened as the payment wasn't in his name.
- There's no concrete evidence of Mr N's involvement in fraudulent activity.
- Barclays should remove the marker and pay compensation.
- Mr N was suffering financial hardship at the time and gained nothing from the large transfer.

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.

The investigator has previously set out the specific standards and questions that Barclays need to meet prior to lodging a CIFAS marker, so I won't repeat them in detail here.

What is particularly relevant is that Barclays must have had reasonable grounds to suspect fraud or a financial crime was committed and the report they received from the other bank was enough to satisfy this requirement.

For me, the principal issue to be considered is did Barclays have clear, relevant and rigorous evidence prior to lodging the marker and did they provide Mr N with an opportunity to explain the transaction and his subsequent activities?

I'm satisfied that Barclays gave Mr N the opportunity to explain the reason for receiving the funds at the time. Barclays notes of Mr N's responses explained that Mr N made no reference to an overpayment when asked and told Barclays he hadn't moved any of the money to any other account.

An analysis of the movement of the money shows an incoming payment from an account not known to Mr N who then almost straight away sends a portion of it to another account he ran at the time (in his own name). Those funds Mr N has said were to help him out because he claimed he was in financial hardship. I thought it interesting that the majority of those funds were spent within a very short space of time on what appears to be gambling sites.

He then removed the bulk of the remaining funds in cash from different machines and (later) said he was asked to meet someone at a train station to hand over the "overpayment". Mr N recognised that this may not have been as innocent as was made out. I agree, the scenario is suspicious and looks very much like an attempt to quickly remove funds from the banking system to thwart their recovery.

Mr N attempted to evidence the arrangement that he was only receiving funds to help him

out, but if that was the case, I'd expect some evidence to be available around the time of the payment. Mr N said it was all done by phone, and while that's not unusual, I thought the later email screenshots were written to support his case rather than be a legitimate set of messages following an innocent overpayment after a friend wanted to help him out.

Mr N said that the calls were from his friend's brother, but the emails were from a different person altogether (one appears to be from Mr N to himself) and dated around the time he found out about the marker. The emails talk about a £400 debt, but Mr N sent himself more than that before removing the rest as cash. He later suggested the person who signed the email may have been another relative (of his friend), but the general version of events is, on balance, an unlikely explanation that Mr N was an unwitting part of this fraudulent attempt to remove funds from the legitimate owner of them.

I haven't found Mr N's explanation plausible and nor have I found the evidence he's provided to be particularly believable. His actions at the time show someone who was involved in the movement of fraudulent cash and the payment he sent to his other account that was quickly spent appears to show he profited from it.

So, on balance and after careful consideration of the evidence, I'm satisfied that Barclays decision to lodge a marker against Mr N was both fair and reasonable in the circumstances of this complaint. I won't be asking Barclays to do anything.

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 N to accept or reject my decision before 2 September 2025.

David Perry
Ombudsman