

## **The complaint**

Mr S is unhappy Barclays Bank UK PLC (Barclays) won't refund several disputed payments made from his account and has recorded a CIFAS marker against him.

## **What happened**

The facts of this complaint are well known to both parties, so I won't repeat them in detail here.

In short Mr S has disputed activity that took place on his account in January 2022. During this time money was moved from his savings account to his current account and several credits were received from third parties. Some of this money was transferred out to his business account with a different provider but then transferred back again shortly after. This money was then used for card payments to Mr S's cryptocurrency account where he says the money was converted to cryptocurrency and then stolen.

Mr S says his losses amount to the £10,000 that was transferred out of his savings account and spent. He says he doesn't recognise the credits made to his account and so isn't claiming these as losses.

Mr S says that just prior to the disputed activity he'd downloaded a QR application on this phone which then came up with an alert saying the application may compromise his details. He deleted it. He then dropped his phone, and the screen stopped working meaning he didn't notice the activity on his accounts until he got a replacement phone shortly after.

Barclays didn't uphold Mr S's fraud claim for the £10,000 saying there was no evidence of fraud and the transactions were properly authorised. They recorded a CIFAS marker against Mr S due to payments made into the account being reported as a scam. When Mr S complained, Barclays maintained their position.

Mr S referred his complaint to our service. Our investigator didn't uphold the complaint. The evidence showed Mr S's genuine device was used to make the payments and that there was no malware on Mr S's phone at the time of the disputed activity. So, without this, he was satisfied there was no point of compromise for Mr S's phone or mobile banking details. He concluded that it was therefore fair for Barclays to hold him liable for the disputed activity. And because he was satisfied Mr S was most likely responsible for the activity on the account, he said Barclays hadn't made an error in recording the CIFAS.

Mr S disagreed, explaining that his phone was broken at the time of the disputed activity so someone must have had remote access in order to do this. Because Mr S disagreed, the complaint has 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.

Having done so, I realise this will come as a disappointment to Mr S, but I won't be upholding his complaint. I'll explain why.

### Disputed transactions

The Payment Services Regulations 2017 (PSRs) say, in summary, that a payment service provider is entitled to hold a customer liable for authorised transactions. But that it should generally refund a transaction that comes out of one of their consumer's accounts that they didn't authorise. There are limited exceptions to this, such as when the consumer has breached their obligations to keep their security credentials secure either intentionally, or by being grossly negligent with them.

Barclays has shown that Mr S's genuine device was used to make the transfers between his accounts and was also used to verify the card payments to the cryptocurrency account. So, it follows that whoever carried out this activity, had access to Mr S's phone and his mobile banking.

I've considered what Mr S said happened when he downloaded the application to his phone and that malware could explain how his account was compromised. I'm not discounting things like this are possible but there is no evidence that malware was present on Mr S's digital banking services. Having asked Barclays, they have explained their systems would detect this. Barclays have shown this service that no malware was found when a search was done. This evidence isn't always perfect, but I've also taken into account that Mr S still has his phone and hasn't been able to show that malware was present either. I have to base my decision on the evidence available and as I haven't seen anything to suggest malware was involved, I don't find this scenario the most likely.

Mr S still has the phone in his possession, meaning if malware isn't responsible, someone would have needed to get Mr S's phone, be able to access this and his mobile banking, to then carry out the activity. They would then have needed to return the phone to him. I don't find this plausible given what Mr S has told us.

As I can see no point of compromise for Mr S's phone and his mobile banking login details, I'm satisfied it was reasonable for Barclays to conclude that Mr S most likely authorised the activity that took place on his account. I won't therefore be asking Barclays to refund the disputed transactions.

### Fraud maker

In order to load a CIFAS marker, Barclays isn't required to prove beyond reasonable doubt that Mr S is guilty of fraud or financial crime, but they must show that there are grounds for more than just suspicion or concern. CIFAS 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 such that the member could confidently report the conduct of the subject to the police."

What this means in practice is that a bank must first be able to show that fraudulent funds have entered the consumer's account. At the time of the CIFAS loading, I'm satisfied Barclays had reason to believe this to be the case, as it had received a scam report from another payment provider regarding the credits into Mr S's account.

Secondly, the bank will need to have strong evidence to show that the consumer was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an

illegitimate payment. The bank should carry out sufficient checks and give the account holder the opportunity to explain the activity on the account.

Mr S says all the activity that took place on his account wasn't him. This includes any knowledge of the payments that entered his account during this time and were sent onto his cryptocurrency wallet. However, I've concluded that the most likely scenario is that Mr S authorised these payments, so it follows that Barclays has also correctly recorded the CIFAS marker against him. I therefore won't be asking them to remove it.

### **My final decision**

My final decision is that I don't uphold Mr S's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 March 2026.

Sarah Brimacombe  
**Ombudsman**