

The complaint

Mr K complains Barclays Bank UK PLC trading as Tesco Bank recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly.

Notes

Mr K's account was held with Tesco who later became part of Barclays. So, in my decision I will refer to Tesco.

What happened

Mr K held an account with Tesco. In June 2022, he received a payment from a third-party, through a bank transfer. Mr K moved the funds into an account with Skrill. However, the payment was reported to Tesco as being the result of a scam.

Tesco contacted Mr K and requested information to support the activity on his account. He said he used the account for payments as he bought/sold things and used it for investing. He said the payment in question was for a laptop he'd sold on Gumtree. Tesco tried contacting Mr K again for further information, and when it didn't get a response, it completed its review, filing a misuse of facility marker at Cifas, as it believed he had been complicit in receiving fraudulent funds. It also closed the account.

Mr K found out about the marker and complained to Tesco this year that he'd not done anything to cause this. He told it that he'd been asked by the boyfriend of a family friend to open an account for them so that they could receive payments. They sold refurbished items and told him that they were having technical issues with their banking. Mr K said he'd agreed to help, particularly because his mental health was such that he was easily manipulated. He didn't think Tesco had given him a fair opportunity to explain his side of things either.

Tesco reviewed the information but didn't think it had made a mistake in the steps it had taken. Dissatisfied, Mr K contacted us and said the marker was affecting him financially and personally and he didn't believe the bank had done enough to demonstrate it had met the evidential requirements for filing the marker.

An investigator gathered information from both sides. Mr K said he'd been assured the arrangement was legitimate and he'd trusted the other party. He said that when he'd transferred the funds to Skrill, he had no idea anything was suspicious. He added that his mental health was poor which meant his judgement had been impaired and made him likely to trust people, and he no longer had any messages between him and the other party (these had been deleted and he couldn't recover them). He provided some details from Skrill, information on his mental health and the report he'd made to Action Fraud (dated 2025).

The investigator acknowledged what Mr K had said but didn't find it persuasive that he hadn't been directly involved in receiving the illegitimate payment. In particular, she noted Mr K had told Tesco that the payment was for selling a laptop. She felt that if he genuinely understood he was helping someone and he'd been told it was "legal", he had the opportunity to tell the bank this but instead he'd told them something else about the source

of the funds. The investigator thought this suggested he'd been aware the payment wasn't legitimate, and she noted that he didn't have any evidence of what he'd said about the third party's involvement either.

Weighing everything, she concluded Tesco had met the bar for loading the fraud marker.

Mr K didn't agree and provided a response setting out why. Amongst other things, he didn't think enough weight had been placed on his vulnerability arising from his mental health and him feeling pressured into opening the account. He said he'd been told what to say to Tesco and was scared to tell the truth. He still didn't think Tesco had enough evidence to show he'd personally committed fraud.

The investigator considered Mr K's further points but didn't find it was enough to change the outcome.

The case was put forward for a decision.

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.

Where there are sensitivities surrounding evidence supplied in confidence, I have to balance expectations with the impact sharing information might have on our ability to receive and consider evidence provided in confidence. Our rules (DISP 3.5.9(2)R) allow me to do this. I have reviewed the information impartially and objectively as my role requires to reach what I think is a fair outcome.

The marker that Tesco has filed is intended to record that there's been a 'misuse of facility'¹ – relating to using the account to receive fraudulent funds. To file such a marker, it's not required to prove beyond reasonable doubt that Mr K is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant guidance 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.

What this means in practice is that the business must first be able to show that fraudulent funds have entered Mr K's account, whether they are retained or pass through the account. Secondly, the business will need to have strong evidence to show that Mr K was deliberately dishonest in receiving the fraudulent payment and knew it was or might be illegitimate payment. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity.

To meet the standard of proof required to register a fraud marker; the business must carry out checks of sufficient depth and retain records of these. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think Tesco has enough evidence to show fraudulent funds entered Mr K's account, and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

¹ Cifas members aren't required to tell a customer that they have recorded a fraud marker.

Tesco received a report, saying that funds which entered Mr K's account was because of a fraud. Looking at what was reported, I'm satisfied the bank had reasonable evidence of a scam and needed to make enquiries to meet its regulatory obligations to investigate such matters.

Mr K says his mental health was poor at the time and Tesco didn't do enough to investigate things. But Tesco contacted him. It asked him to explain why he'd received the payment. It then contacted him again, multiple times but he didn't respond. Considering this, I don't agree he wasn't given a fair opportunity to explain his side of things and provide supporting information. Faced with no further responses, a compelling fraud report from another bank and Mr K's explanation that the funds were for a laptop, which we know not to be true, Tesco had reasonable grounds for loading the fraud marker and closing the account. I'm satisfied there weren't any inadequacies in how it handled things.

Tesco also decided to retain the marker, after reviewing the case following Mr K's complaint and further information. I've also looked at this and don't consider Tesco's position is unjustified. I say this because, Mr K hadn't alerted the bank initially to any third-party involvement in the way that he now says took place. This is highly concerning because Tesco questioning him, calling and writing to him, and then closing the account, weren't insignificant matters. Mr K explains this was due to his mental state and him being pressured and frightened into what to say and do. But he also told our investigator that he'd been reassured everything was legitimate, he was helping and didn't suspect anything suspicious. This doesn't align. In any event, the difficulty is there is no tangible evidence to support coercion by a third party. He explains that he blocked the person and deleted the messages to create distance, but I'm afraid I don't find this persuasive, not given the extent of the alleged activity and interactions.

I have reviewed other information Mr K has submitted. But this isn't sufficient because it's not in dispute the money went to Skrill, and I don't doubt his mental health had been suffering. The problem is, Mr K hasn't been able to provide anything to link the fraudulent activity to a third party and show that he was left without choice. I'm sorry but overall, the circumstances suggest he was complicit in receiving fraudulent funds and I'm satisfied there's enough rigorous information on Tesco's side to support and retain the loading.

As part of my role, I must look at what both sides have provided and consider the weight of the evidence. Here, although Mr K has attempted to explain things, I'm satisfied Tesco had sufficient information to support its actions that it believed Mr K had been complicit in receiving illegitimate funds, with the report it received, what he initially told it, and the lack of credible supporting information from him in relation to the third party and being pressured. It follows that I don't find recording the marker and closing the account was unfair (for completeness there's provision for that in the account agreement).

I understand how important this matter is to Mr K because of the difficulties he's facing, but I must also look at everything objectively and these are my conclusions based on the available evidence. My decision brings to an end our review of this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 February 2026.

Sarita Taylor

Ombudsman