

The complaint

Mrs H complains that Barclays Bank UK PLC closed her account and applied a fraud marker against her name.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In March 2025, Mrs H complained to Barclays about its decision to close her account and register a marker in her name on CIFAS. Responding to the complaint, Barclays explained that its decision to close the account on 31 January 2022 was in line with the terms and conditions of the account. It further explained that it has an obligation to report certain incidences to CIFAS and it would not be able to remove the information. But it accepted Mrs H wasn't sent you a letter to advise her of the closure decision, and it offered her £150 compensation for this.

Mrs H wasn't satisfied and so she complained to this service. She said she didn't know about the CIFAS marker until she was informed by Bank S in May 2025 that her account was being closed because of the marker.

Responding to the complaint, Barclays said it wasn't obliged to provide a reason for issuing a Notice to Close, and it explained the category 6 marker (misuse of facility) was reported correctly due to an indemnity claim received from another bank.

Our investigator didn't think the complaint should be upheld. She explained that regulated firms such as Barclays are entitled to close a customer's account if it is done fairly and in line with the relevant guidance and regulations. And she was satisfied Barclays' decision to terminate the account was fair.

She also concluded Barclays was fair and reasonable in applying the CIFA marker because when Mrs H was asked about transactions on her account dated 29 September 2021 were for, she was unable to provide an explanation and claimed not to have made the withdrawals.

She noted Barclays had located the letter that was sent on 17 January 2022, but it had said that even though it did send the letter, it should have provided notice and was therefore still upholding the complaint on that element. In addition, it had refunded £313 which was the overdrawn balance on the account at the time of closure. She was satisfied that was reasonable.

Mrs H has asked for her complaint to be reviewed by this service.

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've reached the same conclusion as our investigator. And for largely the same reasons. I know Mrs H feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

Account Closure

Banks in the UK, like Barclays, are strictly regulated and must take certain actions to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts. Having looked at Barclay's reasons for restricting Mrs H's account, I'm satisfied it hasn't done anything wrong here.

Barclays is entitled to close an account just as a customer may close an account with it. But before it closes an account, it must do so in a way, which complies with the terms and conditions of the account. In certain circumstances it can close an account immediately and having looked at the information given to me by Barclays, I'm satisfied it was entitled to close the account in the way that it has done. Mrs H may want to know the reasons her account was closed but Barclays is under no obligation do this.

CIFAS marker

The marker Barclays has filed with CIFAS is intended to record there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. In order to file such a marker, Barclays is not required to prove beyond reasonable doubt that Mrs H is guilty of a fraud or financial crime, but they must show there are grounds for more than mere 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 fraudulent funds have entered Mrs Hs account, whether they are retained or pass through the account. Secondly, Barclays will need to have strong evidence to show the consumer was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. In addition, a marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show deliberate complicity. So, I need to consider whether Barclays has enough evidence to meet the standard of proof and load a marker for misuse of facility with CIFAS.

Having looked at all the information provided, I'm satisfied it did. I say this because I've seen that Mrs H's account received payments from a third party on 29 September 2021 and Barclays then received a report from another bank saying that the money Mrs H was fraudulent. So, there was credible evidence that Mrs H had received funds that might be fraudulent.

The requirements around banks recording markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. When I weigh everything up, I think this most likely exists here from reviewing the evidence.

Barclays asked Mrs H for further details about the transactions, to which she responded: *'I have absolutely no idea, I haven't done anything with the money, I do not know what these funds were for and who it came from and I haven't made the withdrawals'*.

In addition, the money that credited Mrs H's account was quickly withdrawn, which supports that she was more likely than not complicit and involved in receiving the payments, and that there was likely an element of financial gain for her. I've also considered the fact Mrs H said the withdrawals were unauthorised, but her genuine card and PIN were used and there were undisputed contactless card payments and chip and PIN transactions made prior to the two cash withdrawals. Further, the withdrawals were made on the same day that the fraudulent funds entered the account. So, I'm not persuaded, on balance, that there is enough evidence to conclude Mrs H was unwitting and I'm persuaded Barclays has acted fairly in applying a CIFAS marker.

Compensation

Finally, I note Barclays paid Mrs H £150 compensation and refunded £313 which was the overdrawn balance on the account at the time of closure, and I'm satisfied that was fair.

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 Mrs H to accept or reject my decision before 20 April 2026.

Carolyn Bonnell
Ombudsman