

## The complaint

Mr A complains that Barclays Bank UK PLC ('Barclays') registered a Cifas marker against him without due cause, and incorrectly reported a default to credit reference agencies.

## What happened

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But, in summary, Mr A disputed making or otherwise authorising over 100 transactions in 2024. Barclays provided him with a temporary refund whilst it investigated matters. It held Mr A liable for the transactions, which meant it removed the temporary credit it had provided him. Mr A had used the funds in the meantime, so this left his account in a negative balance. It requested Mr A clear his overdraft balance by June 2024. When it went unpaid, Barclays recorded a default against him and took the decision to close his account and refer him to Cifas for misuse of facility.

Mr A repaid Barclays what he owed in February 2025, but the default remained. Mr A complained about this, and the Cifas marker. Barclays accepted that it should have removed the default when it was settled and offered him £200 in recognition of the distress or inconvenience this may have caused. But it did not agree that it had acted incorrectly in registering the Cifas marker against him, so it remained in place.

Unhappy with this response, Mr A brought his complaint to our service where one of our investigators looked into what had happened. They did not recommend that Mr A's complaint should be upheld on the basis that they thought that Barclays had met the evidential threshold for a Cifas marker, and that £200 represented a fair offer for the errors Barclays had made in maintaining the default after Mr A had settled the account.

Mr A did not agree, and as no agreement could be reached the case 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.

Barclays, as Cifas members, are obligated to share the details of customers who it has reasonable grounds to believe have been involved in the commission, or attempt to commit, fraud or financial crime. There must be '*clear, relevant and rigorous*' evidence in support of any fraud submissions made by members to Cifas about their customers. The type of Cifas marker loaded against Mr A was for 'misuse of facility'. In this case this relates to Barclays allegation that Mr A made false disputed transaction claims.

There might be circumstances in which a customer can make a false disputed transaction claim innocently, such as where they forget that they made a payment or do not recognise the details of a payment. And in these cases, it would likely mean that a Cifas marker would be unfair. So, the relevant finding for me to make in this case is whether Barclays have enough evidence to show that Mr A knew, or ought to have known, that the disputed

transactions were made or otherwise authorised by him in order to obtain the benefit of the temporary credit.

*Does the evidence suggest that Mr A made or otherwise authorised the disputed transactions?*

Having considered all of the available evidence, I think Barclays have met the evidential threshold to load Mr A to Cifas. I say this because I do not think it is most likely that an unknown third party could have been responsible for the disputed transactions, and so I think Barclays have demonstrated that he knowingly made false disputed transaction claims. I'll explain why.

- Mr A maintains that he did not make the payments in dispute. He said that he sold his iPhone and whilst he performed a factory reset of the device, he thinks that the unknown third party whom he sold it to was able to access his security credentials before the sale. He said he sold it in person and received payment in cash, so he has no supporting evidence to show that the sale took place.
- Barclays evidenced that the disputed transactions took place between January and March 2024. It has also shown that money was sent to the account over this time by Mr A, and that the account was used for undisputed transactions too during the period. Their technical data has shown that the same iPhone was used for the disputed and undisputed transactions at the same IP address.
- I do not think that it is more likely than not that an unknown third party undertook the transactions. Even if Mr A could corroborate his testimony about selling his phone, it does not provide a point of compromise for the security credentials required to undertake these transactions.
- The pattern of spending is inconsistent with the payments being undertaken by an unknown third party, as they carried on for months and were for relatively small amounts. Whilst fraud can take place in many ways, this form of spending would increase the risk of the real account owner noticing what was going on and preventing them from using the account balance. It is also unclear why Mr A would not have noticed the transactions when he was making payments into his Barclays account.
- There are also undisputed actions taken on his Barclays account from the same device after he claims to have sold it including undisputed transactions – which leads me to believe that Mr A still had his device.

So, when considering all of this, I cannot see how the transactions could have been undertaken by someone other than Mr A or a person acting with his consent on his device.

*Did Barclays act fairly in registering Mr A to Cifas for 'misuse of facility?'*

I must consider whether there may have been some innocent explanation as to why Mr A disputed transactions with Barclays which I think he made or otherwise authorised. Due to the significant number of transactions, I do not think it likely that these were disputed in error. And Mr A then received and benefitted from the temporary credit. Mr A has contested that a fraudster would not reimburse his victim – but he repaid Barclays what he owed it. But it does not alter my findings that Barclays had enough evidence of a fraud or financial crime because he later repaid Barclays for its losses. I say this because he treated funds he was not entitled to as his own for a period of numerous months, which meant Barclays for those months suffered a loss, and this is enough to meet the relevant evidential threshold here.

*Was Barclays offer of £200 in recognition of distress and inconvenience it caused with regard to the default fair?*

It is common ground that Barclays ought to have amended the default registered against Mr A's credit file when he repaid it what he owed in February 2025. This remained reported as defaulted until January of 2026, when it should have said it was settled from the February of 2025. Barclays have an obligation to report truthful information to credit reference agencies, and the truth of the matter here is that Mr A did have an outstanding balance between June 2024 and February 2025 which was then settled. Barclays have now reflected this accurately, but it was not reflected accurately for around 11 months.

I've thought carefully about what the impact of this error by Barclays on Mr A was. Having done so, I think their offer of £200 in recognition of any distress and inconvenience suffered by Mr A was fair. I say this because there is no evidence that the default was the cause of the account closure, rejected applications or other detriment – it is more likely that the Cifas marker would be the reason for any declined applications. And so it follows that because I have concluded the Cifas marker was properly registered against Mr A, I do not think the incorrect default would have materially added to any distress or inconvenience caused. So, the offer of £200 seems fair in the circumstances of this complaint.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 May 2026.

Katherine Jones  
**Ombudsman**