

complaint

Mr B complains that Barclays Bank Plc wrongly placed a record against his name on the Credit Industry Fraud Avoidance Scheme (CIFAS) database.

background

Mr B had an account with Barclays bank. In June 2017 Mr B went to withdraw money from a cash machine and the machine kept his card. Following this Mr B got in touch with Barclays and was told there was an investigation happening on his account. But Barclays allowed him access to his account in branch so he could withdraw his wages. In the background Barclays had been contacted by two separate banks to say that money had been sent to Mr B's which he wasn't entitled to.

In July 2017 Mr B spoke to the bank and was told that his account had been closed. He asked why this had happened but was told a letter was sent in the post. The letter didn't specify the reason why Barclays had decided to close Mr B's account.

Mr B also received a statement on his account and noticed some unusual activity. There was money paid into and withdrawn from his account. Mr B contacted Barclays as he said he didn't make these transactions. Mr B had evidence to show that he was at work when the transactions took place but he couldn't understand how somebody carried out the transactions. Barclays refused to speak to Mr B about his account or the activity. They decided that Mr B has misused his account and recorded information on CIFAS about him.

Our investigator looked at the case and said she felt that Mr B wasn't given the opportunity to tell his side of the story. She felt Barclays didn't have sufficient evidence to be satisfied that Mr B was involved in the fraudulent money being paid into his account or the subsequent withdrawals. Mr B also explained that his partner had a similar fraud carried out on her account. The investigator tested Mr B's story and got further evidence to show that Mr B was in work at the time of the disputed activity on his account. And taking everything into account thought it was more likely than not that somebody had taken Mr B's card and carried out the fraud and replaced it. So she was satisfied that Mr B wasn't involved in the activity. And said Barclays didn't have enough evidence to record information about Mr B with CIFAS.

Barclays didn't agree with the opinion and asked an ombudsman to consider the case. They said Mr B knew about the transactions on his account. And they pointed out that the person who carried out the transactions also needed to answer some security questions to complete the transactions. So, they said Mr B was aware of the activity on the account. So, they were right to record information with CIFAS.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

did Barclays register the CIFAS marker correctly?

Barclays have explained the reason they have recorded the marker is because Mr B misused his account. They are of the view that Mr B either carried out the transactions on the account himself or allowed somebody else to use the account to lodge the fraudulent funds. And under the circumstances they felt they had enough information to record information about him to CIFAS. I agree that before they spoke to Mr B and listened to his side of the story that they were entitled to record information with CIFAS.

should they have removed the CIFAS marker and listened to Mr B's side of the story?

I've listened to the calls our investigator had with Mr B and looked at the evidence which he provided to show that he couldn't have carried out the transactions. Mr B has been consistent with the evidence and information he provided to us. He also explained that his partner has had a similar fraud carried out on her account.

Banks record information on the CIFAS database in order to minimise the risk of fraud – often this can happen when, as in this case, the account has been misused. So, I can fully understand why Barclays has applied the marker since fraudulent funds were paid into Mr B's account. But I'm satisfied that Mr B wasn't aware that fraudulent funds had been paid into the account, he didn't knowingly allow somebody else to use his account and I haven't seen evidence that he benefited from those funds. Because of this, I don't believe that Barclays have sufficient evidence to be able to say that Mr B misused his account.

I can see that this issue has had an impact on Mr B and caused him trouble and upset. In this case I haven't seen any evidence that Barclays properly investigated the circumstances. And they didn't do enough to listen to what Mr B was telling them or consider the evidence Mr B was willing to send them. And so, taking everything into account, I agree with the investigator that Barclays should pay Mr B £200 for the trouble and upset caused.

my final decision

My final decision is that I uphold Mr B's complaint and I require Barclays Bank Plc to:

- contact CIFAS and ask it to remove the marker which Barclays placed on Mr B's record; and
- pay Mr B £200 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 April 2018.

Tracey Nugent
ombudsman