

complaint

Mr I complains that Barclays Bank UK PLC has reported information about him to CIFAS, the UK's fraud alert service, and that the bank closed his account without explanation. He thinks this is unfair.

background

Mr I held an account with Barclays. On 12 August 2015, his account was credited with £2,950 through a bank transfer. Immediately afterwards the money was withdrawn; most of it at a Barclays branch and some at a cash machine.

Shortly afterwards, the payment into the account was identified as fraudulent – the holder of the account from which it was made hadn't authorised it. Following a review, Barclays decided to close Mr I's account and wrote to tell him.

Barclays says it took this decision based on a report from the other bank that the payment to Mr I's account had been made fraudulently, and the fact that the money was withdrawn from his account using his card and PIN. It said there was no other explanation for how this could have happened given Mr I hadn't lost his card or unwittingly shared his PIN.

Barclays closed the account and placed a CIFAS marker against Mr I's name. Mr I complained, saying he knew nothing about the payment into his account or the withdrawals from it – he didn't think Barclays had treated him fairly. He also highlighted that some of the contact information on the CIFAS report was wrong, such as the mobile telephone number and email address.

One of our adjudicators looked at the complaint but thought that Barclays had acted fairly. Mr I didn't agree and he asked that an ombudsman review his case. He told us about the difficulties he had had in getting credit on favourable terms. He said that while he hadn't used his Barclays account for some time, he had his debit card with him and that no one could have known his PIN. He also told us that he was in Turkey in the days leading up to the fraudulent deposit.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. But having done so, I have come to the same conclusions as the adjudicator and for broadly the same reasons. I realise Mr I will be disappointed by this so I will explain why.

Payments

The money paid into the account didn't belong to Mr I. The transfer wasn't authorised by the account holder and their own bank will have investigated that before reaching that conclusion. They were the proceeds of fraudulent activity.

Mr I says he knew nothing about the payment made to his account or the subsequent withdrawals.

The funds were withdrawn immediately after they were deposited. So I've reviewed the

available evidence to see how that could have happened. In order to make the withdrawals and other payments, I'm satisfied that a combination of Mr I's genuine card and PIN would have been required. I say this because in addition to the disputed counter withdrawal, there was a cash machine withdrawal and two card payments on 10 and 12 August, which Mr I says he knows nothing about. The cash machine withdrawal and card payments to the retailer would have certainly required Mr I's PIN. So I've gone on to consider whether it's likely Mr I's card and PIN could have been acquired by someone acting without his knowledge or consent.

The adjudicator asked Mr I where his card was at the time of the disputed withdrawals. Mr I said that while he hadn't been using the account, his card was in his possession - he's been quite clear and consistent about this.

I've thought about whether Mr I might be mistaken and someone could have taken his card and replaced it without him knowing. But I don't think this is what happened here. I say this because there's no plausible explanation as to how that person then also got hold of his PIN. Mr I says he never kept a written record of the PIN or disclosed it to anyone.

There's also doesn't appear to have been an opportunity for someone to have learned Mr I's PIN through watching him genuinely use it with his card. The bank's records show the account was opened in July 2015 and the first transaction was made from it on 10 August which was the card payment for £5.68. Mr I says he wasn't using the account, so I don't see how anyone could have seen the PIN being used.

Mr I says he knew nothing about the fraudulent payment into his account on 12 August. Barclays has provided records showing the account was accessed through Mr I's online banking facility before, during and after the receipt of the payment and the withdrawals.

The records show a number of logons to the account between 10 and 13 August, including four times on 12 August (when the money went into the account and was withdrawn). The online activity demonstrates a level of awareness that money was due to come in. If, as Mr I says, he wasn't using the account, knew nothing about the payments and only had a few pounds in the account from the time it was opened, the logical conclusion is that whoever was accessing his online banking facility was doing so in connection with the fraudulent payment.

Even if I accept that Mr I's card and PIN were compromised in some way, he hasn't suggested he lost his online banking details too. I'm not satisfied Mr I's told Barclays or us everything he knows about what was going on. Bearing this in mind, it would be unreasonable for me to conclude that whoever logged into the account did so without Mr I being in some way involved – either to a greater or lesser extent.

It is, of course, possible that Mr I allowed a third party to use his account card and PIN, and that's how the money was withdrawn. Based on the evidence available to me, I think that's most likely what did happen. I realise that's a difficult message for Mr I to receive. And noting what Mr I has said about some of his contact information being incorrect that doesn't change my conclusions about how the transactions were carried out.

Account closure

I've thought about whether Barclays treated Mr I unfairly in closing his account. But I don't think it did. The terms and conditions allowed Barclays to end its relationship in the

circumstances at play here.

CIFAS marker

Barclays applied the CIFAS marker because it said it believed Mr I had misused the account facility. I've looked at whether it was fair for it to do that. CIFAS guidance says the business must have carried out checks of sufficient depth to meet the standard of proof set by CIFAS. This essentially says that Barclays needs to have enough information to make a formal report to the police. And that any filing should be for cases where there are reasonable grounds to believe fraud or financial crime has been committed, rather than mere suspicion.

Having reviewed Mr I's account of events and the evidence Barclays has provided I think there would have been grounds to report the events here to the police to investigate, and that Barclays was therefore justified in placing a CIFAS marker against Mr I's name. I appreciate this will be a great disappointment to Mr I as the marker might be causing him difficulty now and in the future. But given what I've said above, I don't think Barclays has treated him unfairly in respect of closure of the account and recording the CIFAS marker. So I won't be asking it to do anymore.

my final decision

My final decision is that I don't require Barclays Bank UK PLC to do anything further to resolve Mr I's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 7 March 2020.

Sarita Taylor
ombudsman