

## Complaint

Mr M has complained that Clydesdale Bank Plc closed his account and registered a fraud marker against his name.

## Background

Mr M's account received a credit of £8,800 on 26 June 2017.

On 26 and 27 June, his debit card was used to buy foreign currency and to make payments to a mobile phone provider. It was also used at ATMs to withdraw cash.

On 27 June, Clydesdale received a warning that the credit payment into Mr M's account was fraudulent. It blocked his account and cancelled his debit card. On 30 June, it wrote to Mr M saying it would be closing his account.

Mr M raised a complaint when he received the letter. He said he didn't know where the money came from or who transferred it. And he said he didn't make the card transactions as he was away on a fishing holiday for ten days. He said he was the victim of a fraud.

Clydesdale decided not to re-open his account for the following reasons:

- his account received fraudulent funds
- a third party wouldn't transfer money into his account without a guarantee they could get the money out
- he had called the bank to unblock the card on 26 June, after a payment was declined. In that call, he confirmed he knew about the foreign currency transactions
- Mr M couldn't explain how a third party obtained his debit card and PIN.

It subsequently registered a CIFAS marker against his name.

Mr M wasn't happy with the bank's decision and so he brought his complaint to this service. He told this service that during the relevant period, he was on a fishing trip. There were no banks nearby. He said he couldn't remember if he had his card with him. He also said he didn't make the call to the bank on 26 June. He said there was no signal for a mobile phone.

The investigator didn't uphold his complaint because:

- Mr M couldn't explain how a third party got hold of his card and PIN
- whoever purchased the foreign currency would've needed to produce ID. The ID document would've matched the personal details on the debit card
- the caller to the bank knew Mr M's telephone banking security details and inputted an access code when asked to do so
- Mr M couldn't provide any evidence of his fishing trip.

Based on the evidence, she thought it was more likely than not that he authorised the disputed transactions and knew about the £8,800. For these reasons, she concluded that Clydesdale was entitled to close his account and register a CIFAS marker.

## My findings

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

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The investigator wrote a detailed view that sets out in full the facts, the transactions, the relevant regulations and the evidence. Both Mr M and Clydesdale have read the investigator's view, so I won't repeat every detail here, only those which form the basis of my decision. However, I can assure both that I've read the file, including their comments and evidence.

Having done so, my review of the evidence has led me to the same overall conclusions as those reached by the investigator and for broadly the same reasons.

Clydesdale has recorded a CIFAS marker against Mr M because a fraudulent credit was paid into his account. The bank says he subsequently spent the money. So I need to consider whether Mr M authorised the spending on the account and whether the CIFAS marker has been correctly recorded as a result.

Having reviewed the transaction history, I'm satisfied Mr M's genuine card and PIN were used in order for the disputed transaction to take place.

But the regulations relevant to this case say that is not, on its own, enough to enable Clydesdale to hold him liable. So I also need to think about whether the evidence suggests that it's more likely than not that Mr M consented to the withdrawals being made.

From what I've seen, I don't think it's unreasonable for Clydesdale to conclude that Mr M authorised the transactions. This is because:

- Mr M hasn't explained how, where or when he lost his debit card.
- Mr M said he didn't share his card or bank details with anyone or keep a written note of his PIN. This leaves him as the only person who knew the PIN.
- The caller on 26 June passed through the bank's security by answering questions, which only Mr M would know the answers to.
- It's likely that an ID document was needed to buy the foreign currency, especially at the Post Office. If so, then I can reasonably assume that the name on the ID document matched the name on the card and the photo matched the person buying the currency.
- The online banking audit report shows that Mr M logged into his online account on 26, 27, 28 and 30 June 2017. He would've seen the credit of £8,800. It was an unusually large amount for his account. I don't think he would've missed it. Yet, he didn't contact the bank to query it. In fact, his evidence is that he didn't contact the bank until after he received a letter saying it was going to close his account and that was on 30 June 2017. And he only contacted the bank to complain about the decision to close his account, not the transactions.
- Mr M hasn't provided evidence of his fishing trip – for example, he hasn't given any accommodation details, what he did for money or whether he went with friends.

Overall, I don't find Mr M's testimony to be persuasive.

On balance, I consider it's more likely than not that Mr M authorised the transactions and that he knew about the fraudulent credit, even if he didn't make the transfer himself.

The full details of the CIFAS test are set out in the investigator's view so I won't repeat them here. Suffice to say, based on the evidence, I consider that Clydesdale can demonstrate that it met the test for registering the CIFAS marker and so I won't be asking it to remove it.

I am sorry this will be disappointing news for Mr M but I hope the reasons for my decision are clear.

**My final decision**

My final decision is I'm not upholding this complaint.

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

Razia Karim  
**ombudsman**