

complaint

Mr M complains that Barclays Bank Plc closed his account and recorded a fraud marker with CIFAS, a fraud alert agency.

background

Mr M held an account with Barclays. On 9 and 10 April 2018 seven payments, totalling over £1,800, were made to his account. On the same dates withdrawals and a payment were made from the account, totalling a similar amount.

The payments to the account were later found to have been fraudulent – in the sense that the customers from whose accounts they'd been made hadn't authorised them or had been tricked into making them. Barclays closed Mr M's account and recorded a CIFAS marker against his name.

Some months later Mr M complained to the bank about the CIFAS marker. He was, he says, less concerned about the account closure, since he didn't use the account very much. Nor has he lost out financially, because he didn't know about the fraudulent payments to his account.

Barclays said however that it was justified in placing the marker against Mr M's name; indeed, it was obliged to do so. He had, it said, allowed his account to be used for fraudulent purposes. Mr M referred the matter to this service and one of our investigators considered it. He didn't believe Barclays had treated Mr M unfairly. Whoever made the withdrawals had Mr M's card and knew his PIN, and he wasn't persuaded that Mr M's account had been compromised.

Mr M didn't accept the investigator's findings and asked that an ombudsman review the case.

my findings

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, however, I've reached broadly the same conclusions as the investigator did, and for similar reasons.

I accept first of all that the payments made to Mr M's account were fraudulent. The respective account providers investigated them and concluded that their customers hadn't made or authorised them, or had been tricked into making them. I've no reason to think that they were wrong to reach that conclusion. That means that Mr M's account was used to receive fraudulent payments.

That doesn't of itself mean however that Mr M was directly involved in any fraudulent activity. It would have been possible for someone to arrange transfers into his account without his knowledge and using only his account number and sort code.

However, the credits made to Mr M's account were accompanied by near-matching withdrawals made at cash machines, an assisted service device (or ASD) and by a contactless purchase. All of these were made using Mr M's card and, with the exception of the purchase, his PIN. The ASD withdrawal would have needed additional security information. Given the timing, I'm satisfied that the payments to Mr M's account and the withdrawals from it were linked. That is, whoever made the payments knew they'd be able to

withdraw the money quickly using Mr M's card, PIN and other information. That may have been an individual or a group of people working together.

Mr M hasn't been able to explain how someone could have obtained both his card and his PIN. He hasn't been consistent about whether his card went missing. He said he had lost it, but later said he'd destroyed it when Barclays closed the account. He said that he had a record of his PIN on his phone, but nowhere else; but he hasn't suggested his phone was lost.

I also note that Barclays' records show that someone logged into Mr M's account on three occasions on 10 April 2018 – the second day of the payments and withdrawals – using mobile banking. They did so using a device Mr M had previously used. The same device was used a few weeks later. It's most unlikely that anyone other than Mr M would have logged in using his device.

For these reasons I believe that Barclays was justified in taking the view that Mr M was aware of the payments to his account and either made the withdrawals and payment himself or allowed someone else to do so. It follows that it didn't treat him unfairly when it logged his details with CIFAS.

my final decision

My final decision is that I don't require Barclays Bank UK Plc to take any further steps to resolve Mr M's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 April 2020.

Michael Ingram
ombudsman