

## **complaint**

Miss A complains that Barclays Bank PLC won't refund money that was transferred from her account by someone else.

## **background**

Miss A says that she agreed that a friend of her nephew could transfer £1,000 into her account for her to pay to him because he didn't have a bank account. This money went into her account in February 2017 and within minutes it was transferred out by someone other than her using a mobile banking app. She told Barclays that she didn't make this transfer of £1,000.

Barclays investigated and managed to get £400 of the money back. Miss A says that Barclays should refund the rest. She doesn't think it's good enough for the bank to say that the other £600 had already been spent so it can't refund this.

The adjudicator didn't think this complaint should be upheld. She said that there wasn't any plausible explanation as to how an unknown third party could have got hold of Miss A's debit card and PIN, both of which were needed to set up mobile banking, or her online banking details either. She didn't think a fraudster had made the transfer so she couldn't ask Barclays to refund the remaining money or pay any compensation.

Miss A didn't agree. She said that she couldn't have made the transfer herself because she was in a queue for the ATM in a branch of Barclays at the time.

## **my findings**

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

The money was credited to Miss A's account on 28 February 2017 and it was transferred out about 15 minutes later. Miss A says she didn't make the transfer out and she doesn't recognise the beneficiary. She says that she couldn't have carried out the transfer because she was in a branch of Barclays at the time.

I'm satisfied from everything I've seen that the bank did carry out a thorough investigation of this complaint, which was handled by its fraud department. Barclays contacted the recipient's bank and managed to recover £400, but it has provided evidence to show that it doesn't consider it should be liable for the rest. This includes the fact that:

- The Barclays Mobile Banking app (BMB) was downloaded and registered on 23 February 2017. Miss A's genuine debit card was used at an ATM to do this, which was chip and PIN read.
- Miss A hadn't reported her debit card as lost or stolen. It was used for a genuine point of sale transaction shortly before the BMB registration and a cash withdrawal was made a short while after.
- There was no opportunity for the PIN to be compromised.
- A new payee was set up on Miss A's account on 26 February 2017 and a payment of £1 made through online banking. Miss A hadn't reported that her online banking log in details had been compromised in anyway.

- Miss A agrees that she checked her account many times on the day the £1,000 was received into it. She didn't report the £1 payment that came out of the account on 26 February as suspicious. Yet the £1,000 transfer was made to this payee.

Miss A is quite clear that she didn't make the transfer herself. But Barclays has provided detailed records to show that Miss A's genuine debit card, with its embedded chip being read by the ATM machine, was used to register for BMB. I've checked Miss A's account and see that the card was used for a cash withdrawal earlier that day and then used again about an hour and half after BMB was registered. Miss A hadn't reported the card lost or stolen, and I think it unlikely that an unknown third party would have had the opportunity to take Miss A's card, having first found out her PIN, and then replace it so she could use it a short time later, all without her knowledge. I'm satisfied that the actual card was used with the correct PIN.

The transfer of £1,000 was made to a payee that had already been set up on Miss A's account two days earlier. I find that this payee was set up through Miss A's online banking, and not through BMB. A payment of £1 was made at that time. Again, an hour and half later Miss A's online banking was used again to set up and make another payment of £10 to a different new payee. I'm satisfied that both these payments were made using Miss A's online banking log in details. She hasn't told Barclays that these have been compromised. If she didn't set up the new payee or make the £1 payment herself, I would have expected her to notice it when she made the £10 payment a short while later, which she doesn't dispute. Miss A also accepts that she logged into her account numerous times every day during this time so I would have expected her to notice any usual activity on her account and report it to Barclays if she had any concerns.

I appreciate that Miss A thinks Barclays should refund the money because it hasn't proved that she authorised the payments. But having carefully considered all of the available evidence, on balance, I find I can't safely conclude the transfer was made without Miss A's authority or knowledge, whether directly or implicitly. And, in either case, the bank is entitled to apply the payment to her account.

When Miss A reported the transfer as fraudulent I find that Barclays contacted the receiving bank to try to recall the money. It says that £600 had already been withdrawn. It successfully recovered £400, which has already been returned to Miss A.

I realise that Miss A will be disappointed but, for the reasons I have explained, I can't fairly ask Barclays to refund the remaining £600.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 February 2018.

Karen Wharton  
**ombudsman**