

Complaint

Mr G complains that Barclays Bank UK plc closed his account and registered his name with reference agencies, including CIFAS, the UK's fraud alert service.

Background

Mr G had a Young Persons Account, with a debit card. In October 2017 three payments totalling just over £1,000 were made to the account. Shortly afterwards, two card payments and a cash withdrawal – totalling a similar amount – were made using Mr G's card and PIN.

The payments to the account were later found out to have been fraudulent. When it discovered this, Barclays closed Mr G's account and registered his name with reference agencies.

Mr G said he knew nothing about the payments to his account and that he wasn't responsible for the withdrawals. Whilst he'd lent his card to friend for a short time so that he could make a contactless payment, he hadn't shared his PIN with anyone.

Barclays said it had acted fairly in closing the account and taking the further action it did. Mr G, through his mother, referred the matter to this service. The registration meant that he couldn't open an account elsewhere (although it appears he has now been able to do so). One of our adjudicators considered Mr G's complaint but felt that the bank had acted fairly. Mr G asked that the case be reviewed by an ombudsman – as the final stage in our process.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the conclusion, however, that Barclays treated Mr G fairly.

Mr G says he let a friend use his card to make a contactless payment to buy food early one evening, and then met up with the friend about an hour later and got his card back. That is itself a breach of the conditions on which the bank provided Mr G with a card. However, I don't believe that's really what happened, and make the following observations:

- At the time, the balance on Mr G's account was only £2.19 – not enough to buy food. Mr G says he was expecting some money into the account from his mother, but there was no such credit.
- Given the balance on the account, I might have expected Mr G to have checked there was in fact enough money in it before lending his card to a friend.
- I accept (notwithstanding my comments about the account terms) that people may sometimes lend their cards to others. But it strikes me as unusual that Mr G would lend his card to a friend and collect it later – rather than letting the friend use the card while he was there, using it himself, or lending him some cash.
- It's sometimes necessary to enter a PIN, even for a transaction that is under the contactless limit. So, there was a risk that Mr G's friend wouldn't have been able to use the card anyway.

- The disputed transactions on the account took place after the time that Mr G says he got his card back.

The disputed payments and cash machine withdrawal needed the PIN. It's possible that Mr G's friend had observed his PIN some time earlier. I think that's unlikely though, since Mr G hadn't used his card and PIN together for around two months. It's unlikely too that anyone could have guessed the PIN, and it's not recorded in unencrypted form on the card itself.

Looking at all the circumstances, I'm afraid I'm not persuaded that Mr G's account of events is entirely accurate. That's not to say he's benefited from the fraud that occurred on his account, but I believe he probably knows rather more about what happened than he has said. In any event, I don't believe he's been treated unfairly by Barclays.

My final decision

My final decision is that I don't require Barclays Bank UK plc to do anything further to resolve Mr G's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 October 2019.

Michael Ingram
ombudsman