

complaint

Mr S complains that Barclays Bank UK plc closed his account and logged information about him with CIFAS, the UK's fraud alert service.

background

Mr S had an account with Barclays. Over several days at the end of December 2017 and in early January 2018 the account received a large number of credits by way of bank transfers from a number of different sources. At around the same time, cash machine and assisted service device (or ASD) withdrawals were made from the account; these totalled over £4,300. But for the credits to the account, its balance would have been just a few pounds; those credits were however sufficient that the withdrawals were successful. After they'd been made, Mr S's account balance was just a few pence.

Barclays then received notification from a number of other banks, each saying that their customer had been the victim of a fraud; in short, money had been transferred from their customers' accounts to Mr S's account with Barclays. Barclays accepted what the other banks had said and wrote to Mr S to tell him his account would be closed in two months. In addition, it logged information with CIFAS.

Mr S has explained that, some months later, he tried to open a new bank account with other providers. He was unable to do so because of the information that Barclays had logged about him. He said he knew nothing about the activity on his account in December 2017 and January 2018 and so felt he'd been unfairly treated by Barclays. The bank thought however that it had been justified in acting as it did.

Mr S referred the matter to this service, and one of our investigators considered it. She broadly agreed with Barclays, however, and didn't recommend that it remove the CIFAS marker or compensate Mr S. He didn't accept her recommendations and asked that an ombudsman review them.

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 that the payments made to Mr S's account were fraudulent – in the sense that the holders of the accounts from which they were made either didn't authorise them or were tricked into making them. Their own banks would have investigated them before reaching that conclusion and contacting Barclays. Of itself, however, that doesn't mean that Mr S was involved or knew about them; it's possible to make payments to someone's bank account without their knowledge and having only the account's sort code and number.

It's most unlikely however that someone would have fraudulently paid money into Mr S's account unless they were confident that they would then be able to withdraw it or transfer it to another account from which they could withdraw it. It's likely therefore that the same person or group of people were responsible for the payments to Mr S's account and the withdrawals from it. I've considered therefore how the money was withdrawn.

The withdrawals were all made using Mr S's genuine card and PIN. In the case of the ASD withdrawals, it's likely that Mr S's date of birth would have been needed as well. Mr S says

that his card was missing, but that he hadn't noticed that until Barclays contacted him about the account activity. Even if I accept however that Mr S had lost his card, that doesn't explain how anyone who found it or took it from him knew his PIN and date of birth.

I note as well that Mr S's account was accessed using the bank's mobile banking app on several occasions while the transactions were taking place. Mr S hasn't said that his mobile phone was missing, and I'm satisfied he was the person using the app. The movements on his account would have been very obvious, especially given the low account balance Mr S would have been expecting.

Barclays was entitled to close Mr S's account at any time on giving two months' notice; in some circumstances it could do so without notice – including, for example, allowing someone else to use the account. I'm satisfied that Barclays treated Mr S fairly in reaching its decision to close the account.

In addition, I'm satisfied that Barclays was justified in placing a CIFAS marker against Mr S's name. I think it more likely than not that he knew rather more about the account activity than he's told the bank or this service – even if he hasn't directly benefited from that activity.

my final decision

For these reasons, my final decision is that I don't require Barclays Bank UK plc to take any further steps to resolve Mr S's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 June 2020.

Michael Ingram
ombudsman