

complaint

Mr and Mrs A complain that Barclays Bank UK plc closed their accounts and placed a CIFAS marker against Mr A's name. CIFAS is the UK's fraud alert service.

background

In May 2017 Mr and Mrs A received a payment into their joint account with Barclays. The sending bank said that its customer (a relative of Mr and Mrs A) had disputed the payment and that it believed it was fraudulent.

Barclays closed all of Mr and Mrs A's accounts with immediate effect and recorded a CIFAS marker. In or about October 2018 Mr and Mrs A complained, first to Barclays and then to this service. Shortly after that, Barclays said it had confirmation from the bank that sent the money in May 2017 that the payment was no longer disputed. It had, therefore, arranged for the removal of the CIFAS marker.

Mr and Mrs A asked however that we continue to consider their complaint. One of our investigators looked at it and expressed the view that, whilst the CIFAS marker had been removed, the bank ought to pay Mr A £200 in recognition of the trouble he'd been put to. The investigator thought Barclays could have done more to investigate the circumstances of the payment at the outset. He noted that Mr A had had to make different arrangements for his finances, including obtaining help from family members.

Barclays didn't object to the investigator's recommendations, which I take to mean acceptance of them.

Mr and Mrs A didn't accept those recommendations, however, and asked that an ombudsman review the case. They thought more compensation was merited. And Mrs A felt that she should be compensated too; the investigator indicated that any payment should be made to Mr A, since the CIFAS marker had been against his name.

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'll consider first of all who – if anyone – should receive any compensation I might award. On this point I don't agree with the investigator. This complaint arises from the bank's wider actions in respect of a joint account, not just the placing of a CIFAS marker against Mr A's name. So I'm not limited to making an award to him alone.

The investigator found that the sending bank had contacted Barclays on two occasions only – when it was told that the payment was fraudulent and when it was told that its customer no longer wanted to pursue the matter. I agree with those findings; there's no evidence that there was any other contact on which Barclays could have acted.

It appears that Mr and Mrs A resolved the issue of the payment with the family member involved. Like the investigator, I'm satisfied that Barclays acted promptly once it was aware that there was no longer any dispute. But I'm not persuaded that Barclays had sufficiently strong evidence of wrongdoing at the outset that it was justified in placing the marker against Mr A's name.

For these reasons, I agree that some compensation is appropriate, but I think that the figure of £200 suggested by the investigator is fair in the circumstances.

my final decision

My final decision is that, in order to resolve Mr and Mrs A's complaint, Barclays Bank UK plc should pay them £200 in recognition of the inconvenience to which they've been put. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs A to accept or reject my decision before 6 January 2020.

Michael Ingram
ombudsman