

complaint

Mr and Mrs P complain that Barclays Bank UK PLC will not refund some disputed transactions.

background

In October 2017 Mr and Mrs P complained to Barclays about a large amount of transactions on their account which they say they did not make. They explained their son had used their account to fund his gambling habit without their knowledge. The transactions were made between 2015 and 2018.

During this time, Mr and Mrs P's son had transferred money around from different accounts and had told his parents that they weren't receiving statements because Barclays had stopped sending out paper statements. In fact, it appears that he was intercepting them and not disclosing them to his parents.

The transactions took place over four cards.

Barclays alerted Mr and Mrs P to some transaction on their account in January 2016. It sent a text message requesting that they get in touch – which they did. During this call, Mr P tells Barclays that the text message said his card had been used in Malta. He confirms he was not in Malta- but the adviser explains the card wasn't physically used there. It was that the merchant was based in Malta.

Mr P queried whether his son might have something to do with the transactions – but he wasn't at home at that moment. He said he would ask him. But the adviser, clearly concerned she had been told Mr P had not made the transactions, told Mr P she should block the account as a safety measure. Whilst there is some reluctance on Mr P's part to so, the adviser appeared quite persuasive. The conversation ended with the adviser telling Mr P she was going to put a temporary block on the account until he called back.

However, it appears a block was not placed on the account in January 2016 – and the spending continued.

In May 2016, January 2017, May 2017 and October 2017, Barclays' records show replacement cards were ordered on the account. Excessive spending on the account in the same manner continued until towards the end of 2017.

Mr and Mrs P complained about the transactions in October 2017.

In a letter dated 24th November 2017 Barclays said it was holding Mr and Mrs P liable for the transactions. It said they had failed to meet the terms and conditions of the account – but did not state which one(s) in particular. In its final response letter, it re-iterated its position and so Mr and Mrs P brought their complaint to this service.

Our investigator thought Barclays should refund some of the transactions – from May 2016 onwards. Barclays disagreed and the matter was passed to me for a final decision.

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 have arrived at a different decision to that of the investigator. I sent my provisional decision to both Barclays and Mr and Mrs P. Barclays accepted my findings – Mr and Mrs P said they had nothing further to add.

disputed transactions

By the time Barclays alerted Mr and Mrs P to the suspicious activity on their account in January 2016, a large amount of unusual transactions had already been carried out – and it is clear during that call with Mr P that he was not the one making them.

In fact, it was Mr and Mrs P themselves who told Barclays their son had been abusing their accounts and taking their statements. He had also set up internet banking without their consent or knowledge.

When the adviser said she was going to block the account in January 2016, that's exactly what she should have done. A customer had just advised her he had not made the transactions she was referring to. But Barclays failed to act when it should have.

I think it would be fair and reasonable for all transactions from January 2015 until 21st January 2016 to be refunded as I don't think Mr and Mrs P authorised these and, on balance, I don't think they were on notice that anything untoward was going on.

From January 2016, Mr and Mrs P *were* on notice that their son had been using their account. New cards were requested and replaced but still the spending continued. Following that call, I don't think it would be unfair to say that Mr and Mrs P should have taken more care of the account and monitored the spending – yet it appears they did not. In the circumstances, I don't think I can fairly ask Barclays to refund the remainder of the transactions.

customer service

One of my concerns lies with a telephone conversation between Mrs P and a member of the fraud team.

During this call, the fraud adviser questions Mrs P about her son – had they reported him to the police, were they going to prosecute and why was he still living in their house?

I think that call could have been handled better. I don't think it is for Barclays to ask why Mrs P's son was still living in her house. She had clearly found herself in a difficult and very stressful situation. I think Barclays should have acknowledged that - but it failed to do so. In fact, at no point did Barclays acknowledge anything other than Mr and Mrs P's liability for the disputed transactions.

When I contacted Barclays to ask why a block had not been placed in January 2016, it continued to maintain its stance that Mr P was going to call back, having spoken to his son. That was not my understanding of a very clear conversation.

I have considered whether the situation would have been any different had a block been placed on the account in January 2016 – and I think there is a possibility it might have been. The block *may* have caused Mr and Mrs P to interrogate their account in more detail and be alerted to their son's spending a lot earlier. I've thought about whether I should award any compensation for this failure – but in the circumstances, I don't think it would be fair and reasonable to do so.

For the poor service in general, and the telephone call in particular, I think £300 would be fair amount for the distress and inconvenience caused to Mr and Mrs P.

my final decision

My final decision is that I uphold this complaint in part. Barclays Bank UK Plc should:

- refund all disputed transactions from 1st January 2015 up to 21st January 2016 (the exact amount to be calculated and confirmed);
- pay interest at the rate of 8% on these transaction from the date of the transaction to the date of settlement;
- pay £300 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 15 January 2021.

Shazia Ahmed
ombudsman