

## complaint

Miss F is unhappy that Barclays Bank UK PLC added a Credit Fraud Avoidance System (CIFAS) marker against her name. And she's unable to open another bank account.

## background

Miss F had two bank accounts with Barclays Bank.

On the 1 May 2018 two payments were made into Miss F's current account of £1850 and £1790.

On the 4 May 2018 Barclays received notification from another bank, I'll call T, who said their customer didn't authorise the payments to Miss F's account. By the time Barclays received the indemnities the fraudulent funds had been removed. As a consequence Barclays decided to immediately close Miss F's accounts.

I've listed the two fraudulent credits below:

Date:	Transaction:	Amount:
1 May 2019 at 5:19 pm	Inward fraudulent credit	£1850
1 May 2019 at 5:22 pm	Inward fraudulent credit	£1790

Before the money entered Miss F's account she had a balance of £91.32. And soon after the credits were transferred in to Miss F's account they were removed. Between 7:03pm on the 1 May 2019 and 7:24pm on the same day, three cash withdrawals were carried out totalling £2,500. And between 7:20pm and 9:51pm six point of sale transactions were completed totalling just over £250. An outward online transfer – via online banking to a new payee – was also made at 7:19pm for £900.

Barclays thought Miss F had misused her account so applied a CIFAS marker. Miss F told Barclays:

- On the 2 May 2018 she received an email from Barclays saying she'd activated a new mobile banking – but she found this strange as she'd already set it up previously
- She logged in to her mobile banking on the 2 May 2018 and noticed transactions she didn't authorise so contacted Barclays to raise this
- She's not aware of the two payments totalling £3640 into her account and didn't authorise the withdrawals or the online transfer

On reviewing Miss F's complaint, Barclays thought they could have completed their review more quickly and should have returned Miss F's funds sooner. So they offered Miss F £125 in compensation. Miss F didn't accept this.

One of our investigators looked into Ms F's complaint and asked both Miss F and Barclays further questions. Barclays provided evidence that to carry out the ASD transactions a fraudster would need Miss F's card, PIN and her date of birth. And for the online banking transfer they'd also require Ms F's online banking details – including her membership number, passcode and memorable word to log in and set up a new payee.

Our investigator didn't uphold the complaint – having looked at the circumstances of the events and the way in which the fraudulent payments were used she thought Barclays had sufficient evidence to load the CIFAS marker.

Miss F didn't agree with the investigator's opinion and asked for her complaint to be passed to an ombudsman for a 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. And in doing so I've come to the same conclusion as the investigator. I'll explain why below.

Barclays said it applied the CIFAS marker because bank T said their customer didn't authorise the payments made to Miss F's account. So I've looked at whether Barclays was fair to apply the marker, based on the evidence it had and the investigation it carried out and what the rules say about applying such markers.

CIFAS guidance says the business must have carried out checks of sufficient depth to meet the burden of proof set by CIFAS, which at that time was that Barclays needed to have enough information to make a formal complaint both the police or other relevant law enforcement agencies. And that any filing should be for confirmed cases of fraud rather than mere suspicion. In addition, CIFAS guidance set out businesses are expected to retain the evidence they rely upon when applying a CIFAS marker for at least six years.

Having reviewed Miss F's version of events and the evidence Barclays have provided, I'm satisfied that Barclays have sufficient evidence for a CIFAS marker to be recorded on her file. In coming to this view, I've taken into account the following reasons:

- Barclays have provided evidence to show the inward payments received on the 1 May 2019 were fraudulent.
- To carry out the unauthorised ASD withdrawals a fraudster would have needed access to Miss F's card, PIN and her date of birth. Miss F says she lost her card. But, she's not provided a plausible explanation for how her PIN and date of birth were obtained without her knowledge.
- I've not seen a plausible explanation for how a third party could obtain Miss F's online banking log in details without her being aware.
- There's a mobile banking log in from Miss F's phone on the 2 May 2019 at 7:38am but Miss F didn't report the fraudulent activity until 6:33pm – I think it's unlikely, if Miss F didn't authorise the transactions and was concerned about further fraudulent activity, she'd wait for such a long period before reporting the fraud.

Taking everything into account, I find that Barclays have met the burden of proof required by CIFAS to add the marker. So I'm not going to ask them to remove the CIFAS marker.

### **my final decision**

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 16 January 2020.

My final decision is I don't uphold Miss F's complaint.

Jeff Burch  
**ombudsman**