

complaint

Miss M complains that Barclays Bank UK plc recorded a CIFAS marker against her name and closed her account. CIFAS is the UK's fraud alert service, and Miss M says that the marker has prevented her from opening a bank account elsewhere.

background

Miss M had an account with Barclays. It was funded largely by small payments from her parents.

In January 2018 two payments were credited to the account, totalling over £3,500. At around the same time, cash machine and assisted service device (or ASD) withdrawals were made, along with two supermarket transactions which included cashback payments. In total, just over £3,000 was withdrawn.

Miss M noticed the larger credit to her account and contacted Barclays to say she didn't recognise it. Barclays said it would investigate, but by that time the various cash withdrawals had been made. When Barclays did investigate, it identified that the payments into the account had been fraudulent – in the sense that the holders of the accounts from which they'd been made hadn't authorised them. Barclays removed the remaining money from Miss M's account, closed it and recorded a marker against Miss M's name.

Miss M didn't think that was fair and complained to the bank and then to this service. She said she didn't know anything about the credits to her account or about the withdrawals and payments made at around the same time.

One of our investigators considered the complaint but didn't think Barclays had acted unfairly. He made the following points:

- All the withdrawals and payments had been made using Miss M's genuine card and PIN. Miss M said she still had her card when she contacted the bank.
- The ASD withdrawal would have required her date of birth as well as the PIN.
- A new mobile phone was registered to the account shortly before the transactions took place. It and the phone that was already registered were used to access the account on numerous occasions during the time of the transactions.
- It appeared that undisputed transactions made later were made using a replacement card.

Miss M, through her representative, asked that an ombudsman review the case.

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 however come to the same overall conclusions as the investigator did, and for similar reasons.

I'm satisfied first of all that the credits to Miss M's account were fraudulent. I've no reason to think that the banks from which the payments were made didn't investigate them properly when their customers queried them and then concluded that they hadn't been properly

authorised. It doesn't follow, however, that Miss M was directly involved in them. Payments to Miss M's account could have been made using her account number and sort code, neither of which would have been difficult to obtain. So, the mere fact that payments were made to her account doesn't in my view implicate Miss M in any wrongdoing.

However, I must consider all the circumstances in reaching my decision – including in this case the circumstances in which money was withdrawn.

I agree with the investigator that the evidence shows that Miss M's genuine card and PIN were used for all the withdrawals, including the purchases and cashback transactions at the supermarket. She hasn't explained how anyone could have obtained her card – and indeed said that she still had it when she contacted the bank about the credit to her account. It had however been used earlier the same day around 170 miles from her home.

Nor is there any explanation as to how someone else could have obtained Miss M's PIN. It's not recorded in unencrypted form on the card itself and it's unlikely anyone could have guessed it. It had been used at a petrol station the day before the disputed withdrawals started, but Miss M hasn't suggested that anything unusual happened then.

I note as well that a new phone was added to the account and then used to access the bank's mobile banking app. That could only have happened with Miss M's log-in details. The phone was used to access the account (on the face of it, in order to monitor account movements) during the disputed withdrawals.

For these reasons, I believe that Miss M was more closely involved here than she has told us or Barclays. It may be that she hasn't benefited directly from the funds wrongly credited to her account, but at the very least I believe she has given someone else access to her account. In the circumstances, I don't think Barclays has treated her unfairly.

my final decision

My final decision is that I don't require Barclays Bank UK plc to take any further steps to resolve Miss M's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 22 February 2020.

Michael Ingram
ombudsman