

The complaint

Mr I has complained that Barclays Bank UK PLC registered a marker against him at CIFAS, the national fraud database.

What happened

In June 2023, Mr I received £1,300 from a victim of fraud. He quickly paid £90 to an account of his with another bank, and sent the rest on to an international payment platform.

Barclays were notified that Mr I had received the proceeds of fraud. They questioned Mr I, and he told them the victim was actually a friend who he'd sold cryptocurrency to. He denied transferring the money on. He said he would provide evidence of what had happened. Barclays chased Mr I for this evidence, but he didn't provide it. So they closed his account and registered a marker against him at CIFAS.

Mr I came to our service. He said an old friend asked him to receive and send on the funds as a favour. The friend needed it to go through Mr I as international payments take too long. He said he didn't know the victim of fraud, and did transfer the money on himself, but he didn't keep any of it. He said he used to have evidence of what had happened, but Barclays never gave him an opportunity to present it, and then he lost his phone in August 2023. He later said he could've never provided evidence as his messages auto-deleted.

Our investigator looked into things independently and didn't uphold the complaint. Mr I didn't agree, so the complaint's been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In order to register this marker, Barclays were not required to prove beyond all reasonable doubt that Mr I had done something wrong. They did need to have reasonable grounds to believe that he'd misused his account, which went beyond a suspicion or concern, and which had appropriate supporting evidence. Having carefully considered everything that both sides have said and provided, I think Barclays did have sufficient grounds to register this marker. I'll explain why.

Barclays received an official report that the money Mr I received in June 2023 came from a victim of fraud who'd been deceived into paying him. Mr I then sent some of the money to his other account, and transferred most of it on. He did this quickly, such that Barclays couldn't recover the money. Mr I had drained his Barclays account before the fraud, meaning that he didn't lose any significant amount of his own money when the fraud was discovered and Barclays sent the balance back to the victim. This is all highly consistent with the actions of a money mule.

I understand Mr I is under the impression that because he passed most of the money on, we should find in his favour. But I'm afraid he is mistaken. Barclays were still able to register a CIFAS marker against him for acting as a "money mule": someone who willingly passed on fraudulent funds. And while Mr I says he didn't benefit from the fraud, I can see that he sent £90 to his other account in the UK.

I also understand Mr I feels that the fact he was working is evidence he was innocent. But I'm afraid it's not relevant. Working people can and do commit fraud.

I can see that the police also identified that Mr I attempted to receive proceeds of fraud in July 2023. They warned him about potential criminal offenses, and explained that the matter was under investigation and they may later arrest him. While I understand that Mr I feels his communication with the police is evidence in his favour, I'm afraid I don't agree.

I'm afraid I do need to take into account that Mr I has given testimony which has contradicted itself or objective evidence. For example, he told Barclays that he knew the victim of fraud, but us that he didn't. He told Barclays that he'd sold them crypto, but us that he was doing a friend a favour. He told us that Barclays never gave him the opportunity to provide evidence, when actually they spoke to him about the matter at the time, offered him multiple ways to provide evidence, and chased him for it, but he didn't provide it. He told Barclays that he had the relevant evidence, told us that he had it but lost it, and now says he didn't have any as all his messages auto-deleted after a day. He told Barclays that he didn't transfer money out, but it's clear that he did, and he admitted to us that he did transfer it. This all means that I cannot reasonably rely on any of Mr I's versions of events.

Further, what Mr I now says happened doesn't really make sense. He says the friend needed him to receive and pass on the funds as an international payment would take too long. But Mr I sent the money on *via an international payment platform*. So sending the money through Mr I's account only added an extra step – the original sender could've just sent it directly. And so it wouldn't make sense to do things this way if Mr I's friend was trying to avoid an international payment. But the matter does make sense if Mr I was knowingly and willingly passing on fraudulent funds, as it fits well with how a money mule operates.

Mr I has not provided any evidence which actually substantiates what he now says happened – i.e. that a friend asked him for help. Mr I originally confirmed that he did have relevant evidence. And he was aware that he was in trouble and his account was frozen. Yet despite his bank chasing him, he didn't provide the evidence. If Mr I really did have evidence that he was an unwitting participant in the fraud, then it's highly unlikely he would've withheld it. Mr I then said that the evidence was later lost when he lost his phone. That is possible, though not especially likely given the prevalence of cloud storage, backups and the like. Mr I now says he never had any evidence in the first place. But while I'm aware of auto-deleting messages, this directly contradicts everything Mr I said before, and it's unlikely that Mr I would have absolutely no relevant texts, emails, WhatsApp messages, social media messages and so on with a friend he'd supposedly known for years. In any case, I cannot reasonably conclude that this was all Mr I's friend's fault when I have no evidence this friend even exists, let alone what their involvement was, let alone what was actually said.

In summary, Mr I received and passed on fraudulent funds. Based on the evidence at hand, his actions are highly consistent with that of a money mule, and he appears to have had some benefit from the fraud. Mr I's testimony has been notably contradictory, and at points clearly untrue. He's not provided relevant evidence, even when he should be able to or previously confirmed that he could. And I've not found anything which makes it seem implausible or unlikely that Mr I was knowingly involved in the fraud. So it seems fair that Barclays registered a marker against him at CIFAS. It's also fair that they closed his account, which they were allowed to do under the terms. This is a difficult message for me to give, and I know it's a difficult message for Mr I to receive. But given the evidence I have, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

Lastly, Mr I mentioned that he thought the marker would be on his record for life. To clarify, it will only stay on his record for six years. After that, it will fall off. Then if Mr I does not involve himself in fraud, he will be able to avoid any further markers.

My final decision

For the reasons I've explained, I don't uphold Mr I's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 4 March 2024.

Adam Charles
Ombudsman