

The complaint

Mr H complains that Barclays Bank UK PLC (“Barclays”) failed to refund payments that he didn’t recognise.

What happened

What Mr H says

Mr H explained that he was notified about an unusual transaction that had left his account. Once he spoke with Barclays, it became apparent that two large payments had been made from his account which he denied making.

Mr H told Barclays that he still had both his phone and debit card and that no one else had access to them. He also stated that no one had the security details to access either the phone or his banking app and that he hadn’t received any unusual calls or messages. Mr H was told that one payment was made to an account in his own name. The second unrecognised transaction was made using Mr H’s debit card to a merchant who I’ll refer to as W. An account with W had also been set up using Mr H’s own name.

Mr H was also told that a transfer had been made from his savings account to his current account prior to the disputed transactions taking place. Mr H denied carrying out the transfers and believed it was the same people that stole money from his account.

Mr H sought a refund from Barclays who, after looking into the matter, declined to refund him. Mr H complained about this and after Barclays again declined his complaint, he brought the issue to the Financial Ombudsman Service for an independent review.

What Barclays say

Barclays fraud detection systems identified one of the payments for further checks, but it was eventually released. They spoke with Mr H about the disputed transactions and blocked his card and re-issued it. After looking into the payments, they declined to refund him. Barclays said that there was no evidence that a third party had compromised his account.

They confirmed that the payments had been made from Mr H’s banking app and the card payment had also used the same location that Mr H normally uses. Later, Barclays closed Mr H’s account.

The investigation so far

After Mr H complained, an investigator was assigned to look into what happened. Both parties were asked about the circumstances of the complaint. Mr H said he believed that his account had been blocked after the first disputed transaction, but Barclays had allowed the second payment to be made. He wanted a refund because he hadn’t carried out any of these transactions (including the inter account transfer) himself. Mr H said he was asleep when the transactions were carried out.

Barclays provided details about the payments and how they’d been made. Those details

showed that one was made using Mr H's banking app and had needed the user to open both the phone and the banking app with details known only to Mr H. The payment had been made using a known device (that Mr H had used with other undisputed transactions) and the IP address was also previously used.

The other payment had used Mr H's debit card and had also been made from the same IP address as other undisputed transactions. Barclays believed Mr H was responsible for them himself.

Note: IP addresses are a means to identify physical locations that online transactions are connected to and can be the actual physical location or other locations connected to the provider of the data services.

After reviewing the evidence, the investigator didn't uphold Mr H's complaint. In summary she said:

- Barclays evidence showed Mr H's known device (phone) was used along with his personal security details to set up the payment.
- Both payments were made from the same IP address also used for other undisputed transactions.
- There was no evidence to show how his details could have been compromised (such as scam calls or other persons known to Mr H).
- One payment was made into an account in Mr H's own name.
- Both payments were made after the account received a transfer from another account operated by Mr H.

Mr H disagreed with the investigators outcome and in response said:

- He believed Barclays should have prevented the second payment as they already knew about the first one and had blocked the account.
- Transactions to a betting company were responsible for someone breaking into his account.
- He questioned the timing of the payments.
- Barclays (and our service) failed to investigate the destination account of one of the payments.
- Mr H believed he was the victim of identity fraud.

As no agreement between the parties could be reached, the complaint has now been passed to me for a decision.

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.

The relevant law surrounding authorisations are the Payment Service Regulations 2017. The basic position is that Barclays can hold Mr H liable for the disputed payments if the evidence suggests that it's more likely than not that he made them or authorised them.

Barclays can only refuse to refund unauthorised payments if it can prove Mr H authorised the transactions, but Barclays cannot say that the use of the card details for online payments

or the use of the banking app conclusively proves that the payments were authorised.

Unless Barclays can show that consent has been given, it has no authority to make the payment or to debit Mr H's account and any such transaction must be regarded as unauthorised. To start with, I've seen the bank's technical evidence for the disputed transactions. It shows that the transactions were authenticated using the payment tools issued to Mr H. I'll now need to consider the information provided by both parties to determine whether there's sufficient evidence to hold Mr H responsible for the disputed transactions or not.

The crux of this complaint is that Mr H denies making two transactions and Barclays believe he was responsible for them. Essentially the complaint revolves around whether there's a plausible explanation for how someone other than Mr H could have made these two transactions.

Mr H thought Barclays had failed to protect his account after reporting the first fraudulent transaction. I'd like to clarify that both disputed transactions took place minutes apart (and not days) as Mr H believes. There's often a delay recording some of the payments on monthly statements, but here Barclays weren't told the payments were fraudulent until after they'd left the account, so couldn't have done anything further to prevent that. They did hold one of the payments but were later satisfied the payment wasn't suspicious.

Mr H has said he was asleep at the time, lived alone and hadn't provided anyone else with his account/card details, log on information for his banking app or security code for his phone. On the face of it, there doesn't seem to be a plausible explanation how someone other than Mr H could have made these payments. That's because in order to do so, they would need access to both the phone and the necessary security information to log in to the phone and banking app. They would also need access to Mr H's address because the payments were made at the time he was sleeping (presumably at home) and the same IP address was used for both disputed transactions and other non-disputed ones.

I have considered Mr H's claim that he was the victim of identity theft. That may well be the case although I've seen no evidence that he reported this to anyone. But, I don't think this is the likely explanation for the two payments because they were made from a location used by Mr H before. There's also no explanation how the security information could be obtained by anyone else as Mr H confirmed he hadn't told anyone else about them nor had he received any unusual calls/messages (from a scammer).

I understand Mr H was critical of the investigation, in particular the lack of enquiries carried out with W. But here the complaint was against Barclays and not W. Barclays provided evidence they felt was sufficient to identify who had made these payments, so I don't think they needed to enquire with W about them as they believed Mr H was responsible.

I also don't think that W's evidence would have changed the outcome here because there's no plausible or realistic explanation how someone other than Mr H could have carried these transactions out.

So, when I've considered all the evidence, my objective assessment is that I think Mr H is more likely than not responsible for these payments and it was reasonable for Barclays to hold him liable.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 September 2023.

David Perry
Ombudsman