

The complaint

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

What happened

In early 2022, Mr A received around £27,000 into his Barclays current account. The money was then passed between Mr A's other accounts and sent on to third parties. One of these payments was flagged, and Mr A got in touch with Barclays to confirm it was him making it.

Barclays then received a report that the funds Mr A received were the proceeds of fraud. They asked Mr A for proof of his entitlement to the money, but received none. They closed Mr A's accounts and registered a marker against him at CIFAS.

Mr A complained in 2023. He said a good friend had paid the money into his account without his permission, then asked him to forward it on to help pay some business bills. Mr A said he moved the money to his savings to avoid mixing it up with his normal spending. He said he forwarded some of the money on as asked, and kept some until his friend would tell him where it came from. He said he had no evidence to back this up.

Our investigator looked into things independently and didn't uphold the complaint. Mr A asked for an ombudsman to look at things afresh, 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 A 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 Mr A had received and paid on fraudulent funds.

At about the same time as this incident, Mr A received another set of fraudulent funds of about the same amount into an account of his at a different bank, which he also accessed using his phone in a similar way. In that case, Mr A claimed he was hacked. So to be on the safe side, I'll consider that possibility here.

I'm satisfied from Barclays' technical evidence that the fraudulent funds were paid on using Mr A's mobile phone – the same device he'd used for a long time before and still used after – at an IP address which he used for his normal genuine spending. These payments were properly authenticated and there's no evidence of any hacking or unauthorised access. Mr A has previously admitted to forwarding on these fraudulent funds, and he also spoke to Barclays at the time to confirm that it was him paying the money on.

I'm satisfied that Mr A was aware that he'd received the funds and that he authorised them being paid on.

It is not likely or plausible that Mr A's friend would simply give him over £27,000 in proceeds of crime out of the blue and without Mr A's prior agreement, in the hope that he'd forward it on in time. It would need to be forwarded on quickly, before the fraud gets reported and the account gets blocked. So by doing this, the friend would most likely just lose a huge amount of money while getting their close friend into serious trouble.

I'd also have expected Mr A to be able to evidence what this friend said. They were apparently such close friends that they trusted Mr A with tens of thousands of pounds. So they would surely have a long history together of texts, emails, social media messages, and so on. And Mr A would surely have queried what was going on, and would need to have been sent written messages with things like the bank details he needed to send the money to. Yet he's said he can't evidence what happened at all. The only thing he's sent us is an editable draft of an email asking the friend for help clearing his name, supposedly sent 9 months after the incident. And I'm afraid that doesn't substantiate what Mr A said happened.

Mr A paid most of the fraudulent money to his own accounts, and appears to have benefitted significantly from the fraud. And the way he used his account is consistent with what I'd expect if he was either directly involved in the fraud itself or involved indirectly by acting as a money mule.

In summary, Mr A received and benefitted from the proceeds of fraud. The evidence strongly supports that the fraudulent funds were then paid on with his consent. His explanation for why he had the money is not likely or plausible, and he's not been able to provide any evidence which substantiates what he's said. The way Mr A acted is consistent with him being knowingly involved in the fraud, and I've not seen anything which makes it seem unlikely or implausible that he was knowingly involved.

So it seems fair that Barclays registered the appropriate marker against Mr A at CIFAS. It follows that it was also fair they closed his accounts, 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 A to receive. But given the evidence at hand and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

For the reasons I've explained, I don't uphold Mr A's complaint in this case.

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 A to accept or reject my decision before 4 December 2023.

Adam Charles
Ombudsman