

The complaint

Mr B complains that Barclays Bank UK PLC is holding him responsible for a transaction which he says he didn't authorise.

What happened

The circumstances of this complaint are well known to both parties, so I will not repeat them in detail again here. But I'll provide an overview of events below.

Mr B has told us that whilst in Spain a fraudulent payment for £636 was made on 20 May 2023 using his debit card. Mr B noticed the transaction on his banking app on 21 May 2023 and contacted Barclays' fraud department. The money was temporarily credited back to Mr B whilst Barclays investigated.

Barclays didn't uphold Mr B's fraud claim. It said Mr B had authorised the payment by way of its two-factor strong customer authentication process. Barclays debited the £636 out of Mr B's account on 14 June 2023. Mr B appealed Barclays' decision but it maintained its position.

Mr B referred his complaint to the Financial Ombudsman. He said he hadn't authorised the debit card payment. He was also unhappy that he hadn't received a letter from Barclays explaining its reason for declining his claim, and said he was therefore denied the chance to appeal Barclays' decision.

One of our Investigators considered the complaint and did not uphold it. In short, he thought Mr B had authorised the disputed payment by way of the strong customer authentication process through his mobile phone.

Mr B didn't accept the Investigator's findings, so the complaint has been passed to me to make a decision. He said he never received the stronger customer authentication notification and so didn't authorise the transaction. Mr B also reiterated his concern at having never received Barclays' letter explaining the outcome of his claim.

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.

Having done so, I agree with the conclusions reached by the Investigator for reasons I set out below.

But first, I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Barclays has acted reasonably in concluding Mr B authorised the disputed transaction.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

Turning now to the disputed transaction, Mr B has said he doesn't recall receiving the strong customer authentication notification on his mobile phone. But I'm satisfied from the technical evidence Barclays has provided that this was sent to Mr B's registered mobile phone when the card transaction was made. To complete this verification process – the payment first needed to be confirmed as genuine and confirmation that the payment details were correct. Then a mobile banking password had to be added. The evidence I've seen supports that this process was followed in relation to the £636 payment before it was approved.

I can see that Mr B's current mobile phone has been registered to his Barclays account since 2022 and Barclays has told us it is used by Mr B to make genuine payments and logins via his mobile banking app. It is also the mobile phone we have recorded for Mr B.

There's also no suggestion from Mr B that anyone else had access to his mobile phone or mobile banking password. And so, I've seen no persuasive evidence that access to Mr B's mobile phone was compromised in any way which allowed the strong customer authentication message to be accessed by a third party.

It follows that in my judgement, on balance, it is more likely than not that either Mr B authorised the disputed transaction by making it himself or authorised another to do so by providing them his consent. And so, I won't be asking Barclays to take any further action in this regard.

This is a difficult message for me to give as I know how strongly Mr B feels about this matter. But given the evidence I have and on the balance of probabilities, I'm unable to reasonably reach any other conclusion.

For completeness, I've also considered whether Barclays could've taken any action to recover the funds. But I'm satisfied the Visa Mastercard Chargeback rules wouldn't have succeeded on the basis of Mr B's argument that the transaction was unauthorised, given the use of strong customer authentication. And so, I think it was reasonable that Barclays didn't process a Chargeback claim given there wasn't any reasonable prospect of success.

Barclays' records say it sent its claim outcome letter to Mr B by both post and email. But I've no reason to doubt Mr B's recollection that he didn't receive that letter, and I can understand that would've been frustrating for him.

Mr B was however able to discuss the claim outcome with Barclays and it reviewed its decision and directed him to the Financial Ombudsman. So, while not ideal, I don't think he was disadvantaged if he didn't receive the outcome letter – as he was able to appeal the claim through Barclays and refer his complaint to the Financial Ombudsman.

So, taking everything into account, I don't think Barclays needs to take any further action.

My final decision

For the reasons set out above, 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 B to accept or reject my decision **before 4 January 2024**.

Anna Jackson
Ombudsman