

The complaint

Mr M complains that Barclays Bank UK PLC won't refund payments he says he didn't make from his account.

What happened

Mr M says he was abroad and disputes over 100 payments made here between March and May 2022. These came to over £11,200. He says he found out when his account went overdrawn. And it seems he was told about a letter regarding his overdraft by a family member. He reported this and then followed up a fraud claim when he returned in October 2022.

Barclays said it wouldn't be refunding this money. Mr M had told it that he was still in possession of his card. And it was unusual for a fraudster not to take the money as quickly as possible. The contactless payments had been made using a payment wallet on a phone. A device had been registered to the account in March 2022 from an internet address abroad. This required the card and PIN to be entered into a PIN sentry machine. The payment wallet had the card set up on 29 March 2022. And this required a one-time passcode which was sent to the phone number for the account.

Our investigator didn't recommend that the complaint be upheld. He noted that Mr M had said that he had the card on him, and no one knew the PIN. And Mr M told him he had a different device on him while abroad and left his usual device at home. He said no one had access to that.

Our investigator said that the card had been blocked on 29 March 2022 during attempted payments and a male that appeared to be Mr M had called Barclays. He passed security checks including by receiving a one-time passcode to the number that Mr M still uses. That person said he was with his daughter and shopping for her birthday and confirmed the declined payments as genuine. He also said he wanted to complain about what happened. After that there were then a mix of payments by value and over a period which wasn't the most likely behaviour of a fraudster who risked detection. So, our investigator concluded that the payments were authorised which could have involved Mr M allowing someone else to make them.

Mr M didn't agree and wanted his complaint to be reviewed and reiterated that he was out of the country at the time and couldn't have made the payments.

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.

I need to take into account the Payment Services Regulations 2017 in considering this complaint. These state that a payment can only be authorised if it was consented to. So, it's

not enough for it to be authenticated, say with a card and PIN. And if they weren't authorised Mr M wouldn't generally be responsible for them.

So, I will be thinking about the following areas in looking at this complaint:

- What is the most likely explanation of how these payments were made?
- Did Mr M authorise the payments on the account which could include by allowing someone else to make them?

I'm satisfied that these payments were authenticated with the card details stored in a contactless phone payment wallet. I also note that these were further checked after transactions were declined and these were confirmed using further security information on the account. As our investigator said such a check happened on 29 March 2022, and I've listened to the call with Barclays that day. A one-time passcode was sent to the number registered on the account to confirm and was repeated back. This wasn't the only check made and I note from the information from Barclays that transactions had been declined on 1 and 2 April 2022 and similar fraud checks were made and passed.

I further consider it would be unusual for a fraudster to both make such calls and to make a complaint about the time spent waiting. In my assessment that person was confident in calling to unblock the account. That person also had access to the security information on the account and the phone number registered to the account.

I note that Mr M said he left his device behind. Having looked at the record of access to his account I can see that the same device that had been used here since 2019 was also used to access his account abroad until March 2022. As set out a new device was then registered which it has been shown by the audit information did need the card, PIN and PIN sentry device. The contactless payment method was set up on 29 March 2022 which required a one-time passcode sent to his number. For reasons which Mr M only attributes to not having internet connection then abroad there was no online log in to his account until June 2022. A log in was then made from this country and required the security information on his account.

I appreciate Mr M says a device was stolen in March 2022 abroad. I am unclear why someone in possession of that device would on his account then travel back here and start using it. I don't how that unknown person would have access to this or be able to receive one-time codes. And what steps if any Mr M took to protect his account from access from that device if he thought it had been compromised and for example he no longer had access to his mobile number to receive security messages. I bear in mind again that his explanation is that he left the relevant device behind.

While there were some high value payments there were also a number of smaller payments. If a fraudster had been involved that person would naturally be concerned about the risk of detection especially as the account had at times been blocked. And would most likely have taken as much money as quickly as possible. It is also a coincidence that Mr M says he discovered the payments only when all the money in the account had been taken especially given the extended period he says he was away.

He has provided a copy of pages he says are from his passport showing stamps that he entered the country abroad on 28 December 2021 and left on 10 October 2022. I appreciate he thinks that this is the key information that he wasn't here and couldn't make the payments. If I accept he wasn't in this country I'm afraid that's not sufficient to rule out him allowing someone else to make the payments. And he would be equally responsible for them even if someone might have used the card more than he'd expected. I've balanced all the information in reaching my assessment including the use of the security information on the account and the pattern of payments set out above and Mr M's explanation of what

happened. Having done so I find it most likely he did consent to the use of his card details and so authorised the payments.

I can appreciate Mr M will be very disappointed by my assessment given what's at stake for him.

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 M to accept or reject my decision before 10 August 2023.

Michael Crewe
Ombudsman