

The complaint

Mr S has complained Barclays Bank UK PLC won't refund £2,000 withdrawn from his account which he says wasn't him.

What happened

In May 2023 whilst Mr S was at work, £2,000 was withdrawn in cash from his Barclays current account. Mr S complained to Barclays as this hadn't been him and he continued to hold his debit card.

At the same time, details from Mr S's debit and credit cards were used to conduct numerous disputed transactions. These two sets of transactions were refunded to Mr S. Barclays argued that as Mr S retained his card and his genuine card was used in branch to withdraw £2,000, he should remain liable for that transaction.

Very unhappy, Mr S brought his complaint to the ombudsman service.

Our investigator could see that Mr S's genuine card was used to withdraw £2,000 so felt he had to conclude Mr S had done this or knew who'd done this.

Mr S remained adamant this hadn't been him and has asked an ombudsman to review his complaint.

I completed a provisional decision on 14 December 2023. I didn't believe there was sufficient evidence to show Mr S had authorised the withdrawal and asked Barclays to refund him. I also believed Barclays should pay Mr S compensation of £150.

Mr S accepted this outcome. Barclays didn't.

Barclays confirmed there'd been no new PIN provided to Mr S when he was provided with a new Barclaycard. They continued to believe there was no opportunity for PIN compromise so believed Mr S must have authorised the cash withdrawal.

I now have all I need to complete my final 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.

Having done so, I've reached the same outcome as I did in my provisional decision. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law

and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr S's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

To help me come to a decision, I've reviewed the evidence Barclays provided as well as what Mr S has told us. I've also taken note what they've said about there being no opportunity for Mr S's Barclaycard PIN to have been compromised.

I believe these transactions were carried out by a third party and not Mr S. I say this because:

- Mr S signed up to get a Barclays reward credit card in May 2023. He got a text from Barclaycard confirming a new card was being sent to him. This never arrived. The details from this credit card were used for the three disputed transactions on 16 May 2023. These amounts were subsequently refunded to Mr S.
- It's clear from the evidence Barclays has supplied that it was Mr S's Barclaycard (ending in 8001) at 15.22 on 16 May 2023 that was used to withdraw £2,000 from Mr S's current account at 15:24. Barclays has confirmed to me that once a customer is identified *"using any of their cards e.g. a Debit, Savings or Credit card, they can then conduct activity on their account including make withdrawals"*.
- Barclays don't see how the physical card, PIN and Mr S's date of birth could have been compromised. Barclays re-stated in their response to the provisional decision that the amount of data that was compromised suggests this was unlikely. However they'd previously confirmed the audit trail information does not show the date of birth was specifically used to validate Mr S's identity.
- Barclays disputes that Mr S's credit card was compromised. But they've already refunded the transactions made using the card details. I'm sure they would have been aware that Mr S never received his credit card as Mr S would have confirmed this to them (although mostly likely the credit card part of Barclays business). I note what Barclays has said about there being a gap between the credit card being dispatched and then used fraudulently which they don't believe suggests this was intercepted.
- It can be misleading to believe that all disputed transactions follow the same pattern.
- It is not my role to decide how Mr S's card was intercepted or compromised, but I believe the evidence indicates that it was. And then used to withdraw money from Mr S's bank account without his authorisation. I also don't know how the PIN was known, but I see no reason to doubt this occurred nor have I been presented with evidence that would suggest otherwise.
- Mr S's profession is such that there's a risk of reputational damage if he's found to have lied about what happened. So I'm satisfied there's little gain here for him misleading Barclays about what happened.
- The coincidence of the credit card details being used fraudulently for card not present transactions and then for a cash withdrawal outweighs any issues, I believe, that arise when looking at how the card and PIN were compromised.

It was only after interrogating the evidence, it became clear Mr S's debit card was never used. It's a pity this wasn't made clear earlier as I believe Mr S always believed it was his debit card that had been used. Mr S has at no time hidden the fact his credit card was missing. I believe this complaint could have been resolved earlier.

After reviewing this in full, I remain satisfied there's not enough evidence to show Mr S authorised this cash withdrawal.

Putting things right

I will be asking Barclays to refund £2,000 to Mr S's bank account, along with 8% simple interest on the usual terms. I also think it's fair and reasonable on the basis of what I've said above that Barclays could have resolved this complaint earlier by confirming to Mr S that it was his credit card that was used. I will be asking them to pay an additional £150 compensation for the delays in sorting this out.

My final decision

For the reasons given, my final decision is to instruct Barclays Bank UK PLC to:

- Refund £2,000 to Mr S;
- Add 8% simple interest from 16 May 2023 to the date of settlement; and
- Pay £150 to Mr S for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 February 2024.

Sandra Quinn
Ombudsman