

The complaint

Mrs W and Mr W complain that Barclays Bank UK PLC won't refund disputed transactions made from their account.

What happened

Mrs W and Mr W had an account with Barclays.

On 15 August 2022 five transfers totalling £1,998 were made from Mrs W and Mr W's account with Barclays to an account Mrs W has with another provider I'll call Bank R. I'm considering Mrs W's complaint about Bank R in a separate decision. And on 16 August 2022 six further payments totalling £2,102 were sent.

Mrs W and Mr W complained to Barclays but they didn't uphold her complaint. Barclays said there was no evidence of a point of compromise, and Mrs W and Mr W didn't lose out because the funds were transferred to an account in Mrs W's name. They encouraged Mrs W to raise a complaint with Bank R to see if their funds could be recovered.

Mrs W and Mr W weren't happy with Barclays' response, so complained to our service.

One of our Investigators looked into Mrs W and Mr W's complaint. However, on reviewing everything our Investigator thought Barclays had acted fairly. Overall, he thought there wasn't any evidence of a point of compromise and it was most likely Mrs W and Mr W authorised the disputed transactions.

Mrs and Mr W didn't agree. In summary he said:

- On the morning of the fraudulent transactions they discovered the phone number registered with Barclays had been changed
- They weren't contacted when large sums were moved out of their account
- They aren't the only people who've been the victim of a scam

As Mr W didn't agree, it's 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.

I've seen evidence that the disputed transactions were authorised via Mrs W and Mr W's online banking. But the relevant regulations, the Payment Service Regulations (PSRs) 2017, say on its own this isn't sufficient to determine that Barclays are entitled to hold Mrs W and Mr W liable for the transactions. For Barclays to hold them liable they'll need to show on balance Mrs W and Mr W authorised the payments. Having looked at the evidence I'm satisfied it's fair for them to do so. I say this because:

- I've seen evidence from Barclays which shows the device that was used to log into Mrs W and Mr W's account, and approve the payments. Having done so I can see that the device used to authorise the payments was the registered device used for Mrs W and Mr W's online banking – and had been so since 2 July 2021. Mrs W and Mr W have explained that they haven't allowed anyone else to access their mobile device.
- Barclays have shared data for how the disputed transactions were authorised – this includes the use of Mrs W and Mr W's passcode. Mr W and Mrs W have confirmed that they haven't shared their passcode with anyone. Mr W and Mrs W haven't provided any other information regarding any suspicious phone calls, text messages or emails received – which either might have allowed malware to be installed or their security details to be shared. For this reason I can't see how a fraudster could have obtained Mrs W and Mr W's security credentials without their knowledge.
- Mrs W and Mr W have argued that they discovered their mobile number was changed on 16 August 2022. I've seen evidence from Barclays which shows Mrs W and Mr W's mobile phone number was changed on 16 August 2022, at 4:47am. But, this is after the disputed transactions were authorised. For this reason I can't see how this demonstrates Mrs W and Mr W didn't authorise the payments.

I've considered Mrs W and Mr W's argument that Barclays should have identified the payments, and reached out to them to ask questions. Barclays do have a responsibility to protect Mrs W and Mr W from financial crime, and to reach out when there's unusual activity. This might include an increase in the size of the payments out of an account or a new payee for example. I've looked at what happened in Mrs W and Mr W's case and I'm afraid I can't conclude that the payments made were significantly unusual for Barclays to step in. They weren't unduly large, and were made to an existing payee. I know Mrs W and Mr W feel strongly that Barclays should have contacted them but I'm afraid for the reasons I've outlined, I'm afraid I can't agree.

For the reasons I've outlined above I won't be asking Barclays to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 27 September 2024.

Jeff Burch
Ombudsman