

The complaint

Mrs O has complained Barclays Bank UK PLC lodged a fraud-related marker on the industry fraud database, CIFAS, in her name.

What happened

In 2020 Mrs O was told by Barclays that they were closing her account. They also lodged a fraud-related marker on her record with CIFAS.

Mrs O discovered there was a CIFAS marker in her name in 2023. She complained and asked Barclays to remove the marker. Barclays didn't feel they'd done anything wrong and refused to remove this.

Mrs O brought her complaint to the ombudsman service.

Our investigator believed the evidence Mrs O provided to show she was carrying out bitcoin trading was sufficiently convincing. She asked Barclays to remove the CIFAS marker and pay Mrs O £250 compensation for the distress caused.

Barclays has asked for Mrs O's complaint to be referred to an ombudsman.

I completed a provisional decision on 28 May 2024. I confirmed there was sufficient evidence for Barclays to have lodged a marker on Mrs O's record.

Mrs O was disappointed with this provisional outcome. She didn't have any further evidence partly because of the time that had passed since Barclays had closed her account. However she was adamant that she was trading in bitcoin and had been the victim of a sender of bitcoin who she alleged wanted payment twice. She didn't understand why Barclays hadn't raised their concerns directly with her when this first happened.

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 in my provisional decision, despite considering the further points Mrs O has made. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

So Barclays must be able to provide clear evidence that an identified fraud was being

committed and Mrs O was involved.

There's also a requirement that Barclays should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Barclays. This confirms they received a notification from at least two other banks on 15 and 16 November 2020. These confirmed seven payments into Mrs O's account had been fraudulently received. Victims had been scammed into sending funds into Mrs O's account. I can see various payments crediting Mrs O's account from these victims.

Barclays has also told us they continued to receive reports of fraudulent transactions after they closed Mrs O's account. These were transactions that took place prior to the account closure other than as Mrs O wondered after her account was closed. She was correct in her view that no further transactions could have taken place after that period.

Mrs O has told us she was involved in bitcoin trading and has provided us with screenshots to show the payments she made. A lot of these transactions show the same reference as the incoming payments to her Barclays' account. However a number of other payments into her Barclays account do not use this reference – in fact one credit seems to have been related to the purchase of a puppy. I've seen no evidence from Mrs O which adequately explains the number of transactions she was receiving or the different people that were paying her. More than 20 separate payments – including a couple for low amounts like £1 and £2 – were received from 9 November 2020 until Barclays closed her account.

I've considered all of the evidence Mrs O has shared, but I'm not convinced by Mrs O's testimony that she wasn't aware of what may have been going on.

I say this because I've reviewed Mrs O's account use with Barclays. As soon as the fraudulent payments were received, Mrs O sent the money on to other individuals or into her own bitcoin trading account. This suggests to me that she was benefitting from these fraudulent payments.

Mrs O has suggested that potentially traders of bitcoin were looking to get paid twice by raising disputed through their own banks. However from the evidence I've seen Barclays received more than 2-3 complaints, so I'd be surprised if all of the individuals Mrs O was trading with were motivated by greed.

I'm aware that Barclays did not question Mrs O at the time they reviewed her account use and decided to close her account. This was definitely remiss of them, and I share her concerns about this. However, on its own I don't believe this is sufficient to ask Barclays to remove the marker.

The requirements around banks lodging markers at CIFAS and on other records include there being sufficient evidence that the customer was aware and involved in what was going on. I think this most likely exists here from reviewing the payments made into Mrs O's Barclays account.

I appreciate Mrs O has raised questions about the time it takes for a marker to fall from a record. I believe a fraud marker was lodged on 24 November 2020 so this will lapse in November 2026.

On this basis I don't believe it would be fair and reasonable to ask Barclays to remove the CIFAS (or any other) marker.

My final decision

For the reasons given, my final decision is not to uphold Mrs O's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 13 August 2024.

Sandra Quinn
Ombudsman