

## **The complaint**

Mrs E complains that Barclays Bank UK PLC has closed her account and recorded information about her with the Credit Industry Fraud Avoidance System ("CIFAS"). She is also unhappy that Barclays returned funds she received.

## **What happened**

In 2020, Mrs E received a credit into her account. Barclays received a report from another bank about these funds and based on what this said, decided to return the funds and close Mrs E's accounts with it. It also recorded information about this situation with CIFAS – a fraud prevention database.

After this, Mrs E experienced some unfortunate personal circumstances which meant she didn't raise her concerns at the time. In 2024 she contacted Barclays to complain about what it had done. Barclays said that it believed it had acted correctly in relation to how it had dealt with the payments and the decision it made to close her accounts. But it acknowledged that it had recorded the information with CIFAS incorrectly. It paid Mrs E £500 in recognition of the inconvenience caused to her and removed the information it had recorded.

Mrs E brought her complaint to us, unhappy with how Barclays had responded to it. She remained unhappy that Barclays had returned the payment and not provided any further details as to who it had been returned to. She stressed that her personal circumstances meant that she needed this payment.

Our investigator said that Barclays had dealt with Mrs E's complaint fairly. They said that Barclays had accepted that the CIFAS marker shouldn't have been applied and had removed it. Barclays had also paid Mrs E £500 and Mrs E accepted that. So they focused on the reversal of the payment Mrs E was unhappy with. The investigator found that Barclays had acted fairly and reasonably in reversing the payment.

The investigator said that there were standards that Barclays had to meet in respect of protecting customers against fraud and when it reversed the payment here – it was acting under those standards. Our investigator said that Mrs E hadn't provided any evidence about the underlying transfer to support that Barclays had acted incorrectly. They also found that Barclays was entitled to close Mrs E's account and did so correctly.

Mrs E disagreed and her husband provided further information about the source of the funds in response. But this didn't change our investigator's mind, so the complaint was passed to an ombudsman to decide.

## **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.

As our investigator explained and as Mrs E accepts – the part of her complaint around Barclays applying the CIFAS marker has now been resolved. For completeness though – I

agree that removing the entry and compensating Mrs E £500 for the impact of this is a fair resolution to this aspect of her complaint.

So I turn now to the unresolved parts of Mrs E's complaint. She believes that Barclays shouldn't have reversed the payment in question here. Mrs E's husband has provided some commentary and documents around the source of the funds and why he believes she was entitled to receive the payment in question.

I've considered what he has said and the information he's provided on Mrs E's behalf, but I have to be independent and impartial and consider what Barclays has provided too. Barclays has explained in some detail why it reversed the payment as it did – based on the compelling information provided by another financial firm.

Having considered what both sides say about this payment – I'm satisfied that Barclays acted fairly in returning it in the way it did. It was provided with clear and compelling information from another financial firm that said the money in question was linked to fraud. In such circumstances, I think it was fair to return the payment.

In doing so, I can see why Mrs E might feel this is a contradictory position. On one hand, Barclays has agreed to remove the CIFAS marker it recorded against her, yet on the other it is maintaining that it is entitled to have returned the payment. But I think Barclays position is a fair one. It accepts that Mrs E wasn't complicit in any fraud here, but that doesn't change the fact that it was provided with clear and compelling information that suggested that the funds in question were nonetheless linked to fraud. In such a situation I think Barclays was entitled to return the payment.

In light of the circumstances here, I also think Barclays' decision to close Mrs E's account was one it made fairly – in line with the relevant terms and conditions. So overall here, I'm satisfied that Barclays doesn't need to take any further action to resolve this complaint.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 28 March 2025.

James Staples  
**Ombudsman**