

The complaint

Ms O complains that Barclays Bank UK PLC (“Barclays”) has only refunded 50% of her losses after she fell victim to a scam. Ms O has a representative assisting her with her complaint.

What happened

In March 2018, Ms O started speaking to the scammer on a popular dating app and after speaking with him for a few months, in May 2018, they moved the conversation over on to a popular messaging app. Ms O believed that she was in a romantic relationship with the scammer and, during this time, he did not ask her for any money.

Ms O was told by the scammer that he was digging for diamonds abroad, but the government of that country had stopped him digging (I’ll call this country C). He asked her to pay for some fees to enable him to resume his work. He said he would send her diamonds for her to sell (assuring her they were worth millions). He also showed her pictures of said diamonds. The scammer explained that he couldn’t pay the fees himself as he didn’t have a bank account in country C.

In early June 2018, Ms O made her first payment for £7,000. Over the coming months, Ms O was asked for further fees, surcharges, taxes etc – and she made several more transfers abroad to 5 different beneficiaries. Ms O did not at any point meet with the scammer or verify his identity.

During this process, Ms O received documentation which Ms O thought was legal documentation – but this was from a different country (which I’ll call T). Ms O also received a certificate that she paid for (on behalf of the scammer) to enable him to continue digging in country C – but this certificate had her name on it as well as the scammer, despite Ms O not being involved in digging for diamonds herself. Ms O also paid a further fee, to enable the scammer to obtain diplomatic immunity. Ms O was contacted by a courier company asking for fees but made no attempt to verify the legitimacy of the people contacting her before paying these fees.

Ms O didn’t receive any packages of diamonds during this process but did receive a suitcase. She was asked for further money to pay for some liquid for the diamonds, but she did not have any money left. On explaining this to the scammer, all contact ceased.

A year later, Ms O’s son was able to open the suitcase and found that it contained black money and at this point Ms O realised the liquid she was asked to buy was likely to clean the money. At this point Ms O realised she’d been scammed. The suitcase and black money were disposed of.

In 2022, Ms O reported the matter to Barclays. Barclays felt it could have done more to prevent the loss and refunded 50% of the payments Ms O sent. However, it didn’t refund the full amount, award any interest or pay any further compensation as it felt Ms O should bear some responsibility for the loss too. It said Ms O didn’t conduct any due diligence, had only

spoken to the scammer for a few months and sent large amounts of money to different people.

Unhappy, Ms O referred the complaint to this service. One of our investigators looked into the complaint and didn't think that Barclays should have to refund any more than it already had. She agreed that, while Barclays did fail in its duty of care towards Ms O, she felt that Ms O also should bear some loss due to contributory negligence. She felt that there were a number of indicators that this was a scam that Ms O did not take heed of, and therefore a 50% deduction to her redress was fair.

Ms O's representative initially re-iterated that Barclays ought to have intervened therefore the complaint should be upheld. Our investigator explained again that Barclays had already accepted that it should have intervened and had refunded 50% of Mr O's losses due to this. At this point Ms O's representative explained it didn't feel Ms O should bear any loss as she was elderly and had been groomed and manipulated by the scammer.

As an agreement couldn't be reached, the complaint was passed to me 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.

Having done so, I don't think Barclays needs to do any more and I'll explain why.

To begin with, where customers authorise payments from their accounts, businesses such as Barclays are under an obligation to process such transfers. If consumers authorised the transactions, the starting point is that they're responsible. To be clear, Barclays did not scam Ms O and it is not the perpetrator of the scam. In this case, all parties appear to accept the Ms O authorised these payments

However, financial businesses also have a duty to try to prevent their customers falling victim to scams. Businesses therefore need to strike a balance between intervening in payments to prevent scams or financial harm against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

Much of Ms O and her representative's comments have been around why Barclays should have intervened and done more to protect Ms O from financial harm. But Barclays has already accepted that it ought to have intervened and should have had a conversation with Ms O about these international transfers. As far as I'm aware, Ms O hadn't been coached to lie and given the implausibility of the scam Ms O fell victim to, I think it's likely that if Barclays had intervened and asked questions about these payments, it likely would have discovered the scam and prevented the loss. Barclays appears to have accepted this and has therefore refunded 50% of the payments.

The only matter left in dispute is how to put things right – Ms O believes Barclays should bear all the loss, and Barclays believes Ms O should also bear some of the loss.

Having considered everything that everyone has said, broadly for the same reasons as our investigator, I think Ms O should also bear 50% of the losses in this case. I think there were an array of indicators throughout this process that ought to have raised concerns that this was a scam and I think Ms O unreasonably ignored these signs. Some of the reasons I think Mr O should bear 50% of the loss are as follows:

- Ms O sent a considerable amount of money based on the word of a person she'd

- only spoken to for a few months and had never met in person.
- She transferred money to five different beneficiaries believing they were people that worked with the scammer but without actually addressing with the scammer why the payments were being made this way.
- She didn't verify the identity of the scammer and did not make any attempts to check that the courier company asking her for money was a legitimate company.
- She received a certificate with her name on it despite not being involved in digging for diamonds herself and didn't question why this was the case.
- She also received documentation from country T, despite being told the diamonds were from country C.
- She didn't question why someone she'd spoken to for a few months would send her diamonds worth millions.
- Despite never having received a package of diamonds of even details of when she could expect to receive the package, she continued to send payments.
- She was asked to pay a fee to buy diplomatic immunity and I think it's implausible that diplomatic immunity could be purchased.

I have considered Ms O's representatives concerns that she is elderly and was manipulated. I have no doubt that Ms O was manipulated and trusted the scammer believing she was in a relationship with him – I understand she has been left deeply distressed by this scam. But consumers are expected to take reasonable care of their money. I think there were so many serious signs that this was a scam in this case, and I think it's more likely Ms O did foresee some of these risks, but she unreasonably ignored them. Therefore, I'm not persuaded that it's fair for Barclays to bear the full loss in this case. Ms O was fully able to use the dating app, the messaging app and visit her branch to make thousands of pounds of transfers. I think she was able to ask for advice and discuss her concerns but chose not to do so, instead choosing to unreasonably overlook very obvious signs that this was a scam. So, I think both Barclays and Ms O sharing the loss in this case is fair and reasonable.

I've thought about whether it was feasible for Barclays to have tried to recover these amounts after it became aware of the scam. As Ms O and her representative might be aware, scammers move quickly to remove any funds sent to them and Ms O didn't report this scam for almost four years. So, as explained by our investigator, I don't think it's likely that Barclays could have retrieved any money at this point.

I have thought about compensation for the distress that Ms O has suffered as well as compensatory interest. I understand the experience has caused Ms O significant distress and inconvenience. While I am very sorry for the difficulties she has experienced, ultimately it was the scammer who was responsible for her suffering. And whilst I have concluded Barclays most likely could have prevented the payments, I've also explained why I think a 50% reduction to the compensation due to contributory negligence is appropriate. Bearing all of this in mind, overall, I'm satisfied that the 50% refund already paid by Barclays represents a fair outcome to this case, so I don't think Barclays needs to pay any more for distress and inconvenience or compensatory interest.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 18 September 2023.

Asma Begum

Ombudsman