

## **The complaint**

Mr T is unhappy that Barclays Bank UK PLC (trading as Barclaycard) won't refund money he lost as part of a scam.

## **What happened**

The details of this complaint are well known to both parties. So I won't repeat them all here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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 the investigator for these reasons:

- It's not in dispute Mr T was the victim of a scam. And given the cruel circumstances, I'm not surprised how strongly he feels about getting his money back. But it's my role to decide whether Barclaycard, as his credit card provider, ought to be held to liable for these losses.
- That's not as simple as saying that because Mr T was scammed, Barclaycard ought to refund him. Instead, as an impartial decision maker, I need to be satisfied that Barclaycard made a mistake and that caused his losses.
- The starting position is that Barclaycard is expected to make the payments Mr T asks it to without undue delay. And where Mr T authorises the payments (as it's accepted he did here), he's liable for them.
- But that's not the end of the matter. I've also considered whether Barclaycard ought to have realised Mr T was at risk from fraud given the nature of the payments. Because if it failed to intervene appropriately when it should have done, it might be fair to hold it liable.
- Mr T submits that four relatively high foreign transactions in a month should have raised suspicion. But I'm not persuaded. The four transactions happened between February and April – and in the months leading up to and during the scam, Mr T used his card often. So I don't think the frequency of the payments looked particularly unusual.
- I also don't think the amounts were alarmingly significant, given that it's common for someone to make larger payments using their credit card. Indeed, Mr T had used his card to make higher purchases before these.
- It's also not clear to me these transactions were in a different currency – instead, it seems PayPal might have exchanged the money, and these were charged in sterling. But either way, Mr T made several foreign payments before these fraudulent

payments – so I don't think that looked particularly suspicious either.

- Taking these circumstances into account, I consider it reasonable that Barclaycard didn't detect a fraud risk – so simply processed the payments in line with Mr T's instructions.
- As well as considering whether Barclaycard ought to have prevented Mr T's loss, I've considered whether it ought to have done more to recover it.
- When Mr T reported the scam to Barclaycard, which the records show was in May 2022, I think it should have contacted PayPal to see if any of his money remained. But, given that most fraudulent payments are moved immediately, and the scam wasn't reported until a while after they happened, I don't think it's likely this would've made a difference to whether Mr T got any money back.
- I've also reviewed whether Barclaycard could've done more to recover his money through a claim until the chargeback scheme or Section 75 of the Consumer Credit Act 1974. But given these payments were made through PayPal for 'friends and family', I agree there weren't reasonable prospects of a claim succeeding and helping Mr T get his money back.
- I appreciate this will be hugely disappointing for Mr T. But I'm not persuaded Barclaycard is at fault for failing to stop, or recover, his losses.
- Finally, I recognise Mr T's frustrations with how Barclaycard handled his fraud claim. But ultimately, I think the driving force of this was Barclay's continued stance to reject his claim, which I don't think was an unfair outcome. So I've not made an award for this.
- I've also noted Mr T's concerns with PayPal. But I can only consider Barclaycard's behaviour in the decision. So this would need to be pursued with PayPal if he remains unhappy.

### **My final decision**

For the reasons I've explained, I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 September 2023.

Emma Szkolar  
**Ombudsman**