

## The complaint

Miss D complains that Barclays Bank UK PLC won't refund the money she lost when she was the victim of a scam.

## What happened

In January 2023, Miss D received a phone call from someone claiming to be from HMRC. The caller told her she owed money and that this was the last day she could pay in order to avoid court action against her. Miss D says she was worried and felt forced to pay, so made two payments using her Barclays debit card to account details the caller gave her. I've set out the payments Miss D made below:

Date	Amount
16 January 2023	£500
16 January 2023	£2,464.72

Unfortunately, we now know the caller was a scammer.

Once she realised it was a scam, Miss D called Barclays to report the payments and ask it to refund the money she had lost. Barclays investigated but said she had verified the payments and it hadn't made an error. So it didn't agree to refund the money she had lost. Miss D wasn't satisfied with Barclays' response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the payments were unusual or out of character enough to expect Barclays to have stepped in and stopped them being made. And they didn't think there was anything it could do to recover the payments. So they didn't think Barclays should have to refund the money Miss D had lost. Miss D disagreed with our investigator, so the complaint has been passed to me.

## 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.

The payment Miss D made for £500 has already been refunded to her by the company it was sent to. And so I haven't considered it any further here and have only considered the payment of £2,464.72.

### *Did Barclays do enough to protect Miss D?*

Banks are expected to make payments in line with their customers' instructions. And Miss D accepts she made the payment here. So while I recognise she didn't intend for the money to go to scammers, she did authorise the payment. And so the starting position in law is that Barclays was obliged to follow her instructions and make the payment. So Miss D isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

And so I've also considered whether Barclays should have identified that Miss D was potentially at risk of fraud as a result of this payment.

But the payment Miss D made wasn't for what I'd consider to be a particularly large amount of money. There had been other payments going in and out of her account for what I consider to be similar amounts previously. And the payment didn't leave the balance of her account at a particularly unusual or suspicious level.

So I don't think the payment will have looked particularly suspicious or unusual to Barclays. And I think it's reasonable Barclays didn't identify that Miss D was potentially at risk of fraud as a result of the payment, or ask any further questions or carry out any additional checks before allowing it to go through.

*Did Barclays do enough to recover the money Miss D lost?*

Once they have been notified of a scam, we expect banks to take reasonable steps to try to recover any money their customers have lost – including making use of any available chargeback scheme.

A chargeback is a process by which card payments can be disputed with the merchant who took the payment, which in Miss D's case is the online payment service the payment was made via. But it wasn't the online payment service themselves that scammed Miss D. The online payment service didn't do anything wrong and just made the payment as instructed. So I don't think there was anything further Barclays could do to dispute the payment in this way.

Any attempt by Barclays to recover the money would also have been unsuccessful, for the same reasons. The recovery attempt would have gone to the online payment service, and it hadn't done anything wrong.

And so I don't think anything we'd reasonably expect Barclays to have done would have recovered the money Miss D lost.

I sympathise with the position Miss D has found herself in. She has been the victim of a cruel scam and I'm in no way saying she did anything wrong herself. But I can only look at the actions of Barclays, and for the reasons I've set out above, I don't think Barclays has acted

unreasonably or that anything we would reasonably have expected it to do would have prevented or recovered her loss.

So I don't think it would be fair to hold Barclays responsible, or that it should have to refund the money Miss D lost here.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 26 October 2023.

Alan Millward  
**Ombudsman**