

## **The complaint**

Mr and Mrs M complain that Barclays Bank UK Plc didn't do enough to prevent the loss they suffered when they sent money to a Barclays account as the result of an investment scam.

The loss came from a joint account, but for ease of reading I'll mostly just refer to Mr M where I mean both him and Mrs M.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr M says he fell victim to an investment scam. He made a payment, by transferring a sum of £5,000 from his joint account with his own bank to an account held with Barclays. At the time Mr M believed he was investing in a one-year bond that would return 3.9% interest. He believed this investment to be with a firm 'H' who he was told were regulated outside the UK. But when H stopped responding to him shortly after the investment, he realised it may have been a scam.

Mr M reported this to his own bank, who contacted Barclays, but no funds remained that could be returned.

Mr M was unhappy with Barclays as the recipient bank and asked that they refund his loss.

Barclays issued their final response and didn't uphold Mr M's complaint. Mr M remained unhappy, so one of our Investigators looked into things. She concluded that she couldn't ask Barclays to do anything further to resolve the complaint. In summary she didn't think there were failures by Barclays in relation to either the opening or the monitoring of the account. Mr M disagreed and asked for an Ombudsman to review his complaint.

## **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'm not upholding this complaint. I appreciate the outcome will be disappointing for Mr M, and I'm genuinely sorry to hear about his loss, but I can't fairly and reasonably ask Barclays to refund this. I'll explain why.

I can see Mr M feels that Barclays should refund his loss and feels it's unfair that the bank is unwilling to do so. But I want to be clear that unwittingly falling victim to a scam doesn't entitle the victim (here Mr M) to a refund from the bank that received their money. In these circumstances I could only direct Barclays to reimburse Mr M for his loss if I'm satisfied they did something wrong where it would be fair and reasonable to direct them to provide a refund.

When considering complaints of this nature, I can understand why, with the benefit of hindsight, it's sometimes easy to say the recipient bank ought to have identified the activity on the account as fraud and should've done more to prevent the loss, or it could've done more to assist in the recovery of the funds upon receipt of notification of fraud. However, I must be clear, when deciding this complaint, I need to think about what Barclays knew at the time – not what is known today. And where it is supposed (as is the case here) that Barclays didn't do enough. My role is to look into the individual circumstances of the case and decide (within my jurisdiction to consider this complaint), based on what I have seen, whether they could have fairly and reasonably done more.

With the above in mind, I'm satisfied Barclays carried out appropriate checks and identified the recipient accountholder (in line with its regulatory obligations) when opening the account. So, it follows that I don't think there is any reason, based on the opening of the account, to ask Barclays to do more here.

I've reviewed the account statements since account opening. And I don't think Barclays should have done anything differently or that they failed in such a way that would have prevented Mr M's loss. So, I don't think there have been any failings by Barclays regarding the monitoring of the recipient account, or that they missed an opportunity to prevent Mr M's loss in this way either.

I'm also satisfied that Barclays responded appropriately when they received notification of fraud from Mr M's bank. Unfortunately, however, by the time Barclays had been told that Mr M's payment had been made as a result of a scam, Mr M's funds had already left the recipient account. So I don't think there were any failings that prevented Mr M recovering his money.

Mr M says that shortly after his payment, the government introduced legislation which made banks more responsible for ensuring fraudulent actions did not take place. He says this adds to his opinion that Barclays should have been more pro-active in identifying the fraudsters. I've considered this, and whilst Mr M didn't specify the legislation he was referring to, the obligations to be alert to fraud and scams are longstanding and Barclays were already obliged to look out for potentially fraudulent activity at the time relevant to this complaint. But as I've mentioned above, I don't think the account activity at the time was suspicious or so indicative of potential fraud where it's reasonable to have expected Barclays to have done more.

Mr M has also pointed out that he and Mrs M have opened bank accounts and that the process is generally thorough and requires documentary evidence and proof of identity. So, he questions why the perpetrator(s) can't be traced and why Action Fraud have told him there is no realistic prospect of a successful prosecution. I can't comment on the investigation by the Police / Action Fraud. I'm aware that the decisions they take as to whether to pursue an investigation will often depend on a range of factors. But I remain satisfied that Barclays acted appropriately when opening the account in question. I'm also confident that Barclays would co-operate fully and share any relevant information with the police, upon a request from them to do so.

As I said above, I'm sorry to hear of the loss Mr and Mrs M have suffered and I accept they've been victims of a scam. But as I don't think Barclays did anything wrong that caused or contributed to this loss (or hindered its recovery), I'm not going to require them to do anything further to resolve this complaint.

**My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 16 October 2023.

Richard Annandale  
**Ombudsman**