

The complaint

F, a limited company, complains that Barclays Bank UK Plc didn't do enough to prevent the loss it suffered when it sent money to a Barclays account as the result of a scam.

Mr B (F's owner) has brought the complaint on F's behalf and has used a representative when doing so. But for ease of reading, I'll mostly just refer to Mr B where I mean either his company F, or his representative.

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. In 2022 Mr B was the victim of a scam. He believed he was in contact with his genuine supplier, but it transpired that their emails had been hacked and some of the emails he'd received were from a scammer (albeit they came from the correct email account).

As a result of this he made three consecutive monthly payments to settle his invoices to the payment details provided in the emails. But the accounts that received the funds didn't belong to the supplier. Two of these accounts were held with 'R' and a third was held with Barclays.

Mr B sent €102,562 in August 2022 and €38,283.80 in September 2022 to accounts held with R. He then sent a payment of around \$72,000 to the account held with Barclays in early October 2022. The payment credited the Barclays account as £62,936.34 on 5 October 2022.

Towards the end of October 2022, Mr B discovered the scam and reported it. His bank (which is based outside the UK) in turn informed Barclays and R. Ultimately R were able to recover just over €34,000 from its accounts. Barclays recovered and returned around £331. This obviously is less than Mr B had sent and he complained to both Barclays and R that they had allowed scammers to open and operate accounts. Barclays declined to provide any further reimbursement and the matter was referred to our service. The complaint about R was likewise referred to our service.

One of our Investigators ultimately didn't recommend that either complaint should be upheld. And in relation to this complaint, she thought Barclays had acted fairly in the circumstances. Mr B disagrees and has asked for an Ombudsman to review the 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've reached the same outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Mr B, so I'll explain why. I'm aware of Mr B's

linked complaint about R. But this decision is solely about Barclays and the payment that credited its account.

I'm satisfied that Barclays correctly followed its account opening process in line with its obligations to do so when opening the account that later received funds from Mr B. I don't think there was anything at that time that means Barclays reasonably could have foreseen the account they were opening would later go on to receive funds as the result of a scam. So, I don't think Barclays could have prevented any of Mr B's loss in relation to the opening of the account.

I've next gone on to consider the monitoring of the account both before and after the arrival of Mr B's funds. I acknowledge Mr B's point that the amount involved was significant and I can confirm that, as he suspects, the funds were promptly moved on from the account in question. The spending of Mr B's funds was in line with what reasonably would have been expected given the type of account, its expected and intended use and history. And prior to Mr B's notification, there were no other reports of fraud in relation to that account. So in this case, the activity wasn't something that was so suspicious or indicative of potential fraud such that I think Barclays reasonably ought to have prevented the loss to Mr B.

Further to this, I'm satisfied that the £331.05 that Barclays returned was all that it was able to recover. As I've mentioned, the funds were moved on promptly and long before Barclays were on notice of a potential problem. So I can't say Barclays treated Mr B unfairly in its recovery efforts.

I'm sorry Mr B lost funds to a cruel scam in this way, but as I don't think this is something Barclays are responsible for, there isn't a reasonable basis upon which I can require them to do more 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 F to accept or reject my decision before 27 February 2024.

Richard Annandale
Ombudsman