

The complaint

Ms S complains Barclays Bank UK PLC didn't do enough to protect her when she fell victim to a scam.

What happened

Ms S says she contacted Barclays in May 2022 to say she'd just made two payments totalling £190,000 that she now realised were part of a scam. She says she asked Barclays to stop the payments and it didn't do so despite the fact that the payments didn't reach the fraudster's accounts until 20 hours after the payments were made. Ms S says she was waiting on the phone for more than an hour before she was able to speak to the right team.

Barclays says it looked into Ms S's claim and tried to recover her money but that it wasn't successful. Barclays says it ultimately decided to refund 50% of the total Ms S had sent having accepted that it could have done more. Ms S says Barclays didn't explain the reasons behind the refund, or even tell her about it – she only found out she'd received a refund when she saw the payment coming into her account. Ms S complained and said that Barclays should refund the whole amount as it had clearly accepted wrongdoing on its part. Ms S says she waited months for a response from Barclays and ultimately complained to us when she heard nothing back.

Barclays initially said that we couldn't consider Ms S's complaint as it had issued a final response and she'd referred her complaint to us more than six months' later. One of our ombudsmen looked into this and, following a provisional decision, Barclays agreed that the complaint hadn't been referred to us too late. One of our investigators looked into Ms S's complaint. Having done so, they said that they didn't think Barclays had acted unfairly but that it should pay Ms S 8% simple interest on the refund she'd received.

Barclays appeared to accept our investigator's recommendations. Ms S didn't and asked for her complaint to be referred to an ombudsman for further consideration. She said she agreed with what our investigator had said about her own responsibility for falling into the trap of the scammers, but that Barclays' respond had caused much more physical and psychological damage than the event itself. Ms S said the impact this has had on her were beyond measurable in monetary values. Her complaint was, as a result, referred 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.

Last month I issued a provisional decision in which I said that I thought the refund that Barclays had agreed to was fair, provided it paid 8% simple interest as recommended by our investigator. But that I also agreed that Barclays' handling of Ms S's claim had caused a significant amount of additional distress for which I considered an award of £500 to be appropriate. Both parties were invited to respond to my provisional decision, and both did.

Barclays accepted my provisional decision and agreed to pay the interest our investigator had recommended as well as £500 in compensation. Ms S thanked me for the comprehensive provisional decision I'd sent – and our investigator's comprehensive investigation – and said that my decision was enlightening, and she'd learnt things she hadn't known before. She agreed with me that Barclays' scam warnings were insufficient – something Barclays had accepted – and that Barclays didn't take immediate action to recover her funds. She didn't, however, agree that it wouldn't have made a difference had Barclays acted sooner and send me material showing that businesses are meant to act as soon as possible. Ms S said that Barclays hadn't done so, and that had had a significant financial and psychological impact on her.

In my provisional decision, I agreed with Ms S that Barclays' response to her claim had been poor and that this had caused her additional distress and inconvenience. I had, however, seen nothing to suggest that Barclays would have been able to recover more money than it has refunded, and I remain of that view given the timings of the two payments she made compared to when she reported the scam to Barclays. So, I remain of the view that the refund – once 8% simple interest has been paid – is fair. And that compensation is appropriate too.

Putting things right

In my provisional decision, I said that I thought £500 in compensation was appropriate in this case. In her response, Ms S hasn't commented on the amount I said I was minded to award. Her response focussed on the remaining 50% that wasn't refunded and the speed with which Barclays should have reacted. Ms S had already explained the impact that Barclays' response had on her before I issued my provisional decision – a decision she's said is comprehensive.

Given what I've just said, and having thought about the issue of compensation again, I remain of the view that £500 in compensation is fair in this case.

My final decision

My final decision is that I'm upholding this complaint and require Barclays Bank UK PLC to pay Ms S £500 in compensation for the distress its poor handling of her claim caused in addition to 8% simple interest on the refund already paid from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 6 June 2024.

Nicolas Atkinson
Ombudsman