

The complaint

Miss G complains that Barclays Bank UK PLC will not refund the money she lost when she was the victim of a scam.

What happened

In December 2023 Miss G was contacted by someone claiming to be from another bank, N, where she and her parents held significant savings. They asked her if she was aware of two transfers from a joint savings account held with her father, into a savings account in Miss G's sole name. They also said that loans had been taken out in her name. Miss G did not recognise any of those payments, and was told she'd be contacted by someone from the Financial Conduct Authority (FCA) to tell her what to do next.

Miss G received a call as expected, and was told that employees of N may be trying to defraud her and her parents. To protect their money, she was told she must move the funds out of N, and into other accounts she and her parents held elsewhere, before moving those funds on to new 'safe' accounts. Unfortunately, and unknown to Miss G, the people she was speaking with were not legitimate representatives of N or the FCA, they were scammers.

Over the course of two days Miss G moved £41,000 from her account at N into her Barclays account. The scammers had also been able to convince her that they were in communication with Barclays, and that her money was still at risk, so Miss G then moved those funds on to her account with another bank, R, before ultimately sending the funds to third party accounts being used by the scammers. Miss G made the following payments out of her Barclays account to her account at R:

Payment	Date	Time	Amount
1	06/12/2023	11:56	£4,500
2	06/12/2023	12:06	£8,000
3	06/12/2023	12:51	£8,412.38
4	06/12/2023	13:32	£10,500
5	07/12/2023	10:33	£9,000
6	07/12/2023	11:06	£10,500
7	07/12/2023	11:38	£17,000

Miss G has said that she was on the phone with the scammer for many hours, and they told her what she needed to do at each stage. Barclays spoke with Miss G about several of the payments she made out of her account, but the scam did not come to light during those conversations.

Late on 7 December, when the scammer had not contacted Miss G for several hours, she became concerned. And on contacting N to find out what was happening she discovered she

had been the victim of a scam and her and her parents' money had ultimately been sent to a scammer.

Barclays considered Miss G's circumstances, but did not think it was liable for any of her loss. It said that money had been moved to an account within Miss G's control, so felt it was not the point of loss here. Miss G was unhappy with Barclays' response, so she referred the complaint to our service.

One of our Investigator's looked into what had happened, but they did not consider that Barclays could have done anything to prevent Miss G's loss, as when Barclays did intervene in payments Miss G was not honest about why she was making the payments.

Miss G did not agree this was fair, she maintains that she was under enormous stress and pressure from the scammers, and did not deliberately mislead Barclays. She considers that Barclays should bear some responsibility for her loss.

As no agreement could be reached this case has now been passed to me for a 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 overall outcome as the investigator, I'll explain why.

It's not in dispute that Miss G authorised the payments that are the subject of this complaint, so as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Miss G is responsible for them. That remains the case even though she was the unfortunate victim of a scam.

Because of this, Miss G is not automatically entitled to a refund. And while Barclays is a signatory of the Contingent Reimbursement Model Code (the Code), which offers some protection to victims of APP scams, the payments Miss G made were to another account in her own name, and so the terms of the Code are also not relevant here. Nonetheless, the regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Barclays acted fairly and reasonably in its dealings with Miss G, or whether it should have done more than it did.

In this case, I agree with our Investigator that the value of the payments Miss G was making from her Barclays account means that Barclays should have identified them as potentially risky and taken steps to ensure that Miss G was not at risk of financial harm. However, I have also seen that Barclays did discuss several of the payments with Miss G – specifically, it discussed payments 1, 3 and 6 as set out in the table above, and also spoke with Miss G between payments 5 and 6 after some attempted payments were declined.

And, having listened to the interactions Miss G had with Barclays, I'm satisfied that any further intervention would not have stopped Miss G from proceeding with the payments.

I say this because Miss G appears to have been coached by the scammer to mislead Barclays (and other banks involved in the payments) about why he was making the

payments that are part of this scam. Specifically, Miss G told Barclays that she was moving funds to R for an upcoming holiday, and that she was 'diversifying her portfolio' by moving money to different accounts to make the most of interest rates. I am also aware that Miss G told N that she was moving money for building work.

Miss G has explained the enormous pressure she was under to do as the scammer told her, and I don't doubt that she sincerely believed she was speaking with a member of N's fraud team. But the fact remains that what Barclays was told about the payments she was making – and what it would likely have been told if it had questioned her about any more of the relevant payments – along with the fact that she was making these payments to an established payee in her own name, means that it would have been very difficult for Barclays to uncover the scam here.

I think I must also bear in mind that, during its conversations with Miss G, Barclays did set out several relevant scam warnings, which highlighted specific aspects of the scam Miss G was falling victim to, but this still did not make Miss G stop to question what was going on.

These warnings highlighted relevant red flags such as:

- Asking if she had been told to move her money unexpectedly;
- Asking if she had been told to lie or give a false story about payments;
- Warnings that scammers can impersonate banks;
- Warnings that if she has been asked to move money to a safe account then that is a scam;
- Warnings that scammers will often tell their victims not to trust the bank or to lie to the bank.

All of these points should have resonated with Miss G, given what was happening to her, but she was clearly so far under the spell of a sophisticated scammer that these warnings were not able to break that spell. And Miss G continued to make payments to the scammers despite being warned of exactly the scam she was a victim of. I also don't think that Barclays would have been able to tell, from its conversations with Miss G, that she was under duress or being coached and manipulated into making these payments.

With all this in mind, I don't think I can reasonably say that Barclays should have done more to intervene or that if it had intervened it would have been likely to expose the scam and stop Miss G from making any further payments.

I don't doubt that Miss G was manipulated by the scammers, she sincerely believed she was talking to N and so did as she was told to protect her and her parents' money. The actions Miss G took are entirely understandable in the circumstances. I also don't doubt that she was under extreme stress at the time.

However, what I need to consider here is whether Barclays could have done anything to uncover the scam. And, given what it knew at the time, I am satisfied it could not have done more.

I want to be clear, I do not think Miss G is at fault here, but the criminal party here is the scammer, not Barclays or any of the other banks from where she moved money. I am satisfied that Barclays did all I could expect it to do in the circumstances, but would not have been able to protect Miss G from this scam because of the high level to which she was being manipulated and coached by the criminals who were scamming her.

I've also thought about whether Barclays did all it could to try to recover Miss G's funds when she told it of the scam. But given that the payments Miss G made were to her own

account at R, and had already been moved on to the scammers account by the time the scam was reported, I don't consider there is anything Barclays could have done to recover those funds.

I'm sorry to disappoint Miss G as I know that she has lost a significant amount of money. But bearing in mind all the circumstances of this case I cannot fairly say that Barclays should be responsible for her loss.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 19 December 2024.

Sophie Mitchell
Ombudsman