

## **The complaint**

Mrs M is unhappy Barclays Bank UK PLC (“Barclays”) didn’t reimburse her after she was the victim of a scam.

## **What happened**

In January 2021 Mrs M’s partner was contacted claiming to be from the fraud department of Barclays they said his money was at risk and he wouldn’t be protected unless he moved it immediately. Mrs M also has an account with Barclays. Mrs M has said they were sceptical about the legitimacy of the call and asked the scammer to verify where they were calling from. The scammer gave them a mobile number they could call back on with a name and a password.

The next day the scammers called back and told Mrs M someone had tried to make a £9,000 car purchase from her own Barclays account and asked her to confirm if this was her. She said it wasn’t, and this convinced her that her own account was also at risk.

The scammers told Mrs M to transfer her money to help them catch fraudsters within the bank. They told her she needed to keep the true purpose of the payments secret from anyone else at Barclays she spoke to whilst making the transfers and they must go to the accounts provided. She was told the money would be returned to her at the end of the week.

She initially tried to transfer £9,000 but this was stopped by Barclays as it was recognised as unusual. She contacted it to discuss why this had happened and was questioned about the payment. She told Barclays the money was for her nephew and convinced it the payment was genuine so it was released.

Mrs M went on to attempt two additional payments for £9,000 and £4,000 to two new payees. Both were again blocked by Barclays so Mrs M went into branch to authorise them. She again provided cover stories for the payments and they were released.

Barclays reimbursed Mrs M for half of her loss. It felt it could’ve done more to advise her of the risk of scams and done more to try and recall the funds once it was informed she’d been the victim of fraud, but also felt she could’ve done more to verify the payments before they were made.

I issued a provisional decision earlier this year. In summary I said that:

- The Lending Standards Board Contingent Reimbursement Model (the CRM Code) applied in this case which requires Barclays to refund Mrs M as a victim of fraud unless it could establish one of the relevant exceptions to reimbursement applied; either she’d ignored effective warnings when making the payment, or she hadn’t had a reasonable basis for believing the payment she was making were genuine.

- I felt Barclays had overall provided an effective warning to Mrs M when she spoke to it over the phone about the first payment she was making. But I didn't think any warnings in relation to other payments given over the phone or online were effective as defined by the code.
- The code allows consideration of whether or not any effective warnings might've made a difference. Given that even following an effective warning Mrs M continued to make payments to the scammers, I didn't feel any subsequent, effective warnings likely would've prevented her from making the payments she did.
- I didn't feel Mrs M had a reasonable basis for believing what she was told by scammers. They had no personal information that would lead her to believe they were calling from her bank, and originally called to speak to her partner. They also don't appear to have provided any assurances they were calling from her genuine bank other than providing a false password to use. The exact circumstances of the scam were comprehensively explained to Mrs M as a scam by genuine Barclays before she made the first payment and she hadn't been able to explain why she still didn't believe this applied to her. Although Mrs M said she was under a lot of pressure, the scam took place over three days and I thought she had time in amongst this to check what she'd been told. It also wasn't clear why during this three day period she believed her money remained safe when she was initially told it was urgently at risk from corrupt bank staff.
- Barclays didn't contact the beneficiary's banks as soon as it should've when the scam was reported to it – it contacted these banks three days later. Our service contacted the beneficiary's banks which overall confirmed most of the funds would've already been removed from the accounts by the time Barclays could've acted. So its delays didn't prevent the successful return of the funds.
- However, £2,148.22 of Mrs M's money could be recovered. This had been returned to Barclays on 12 March 2021 and it hadn't sent this back to Mrs M until June 2022. I felt Barclays needed to pay interest on this amount to cover the time it had kept the funds from Mrs M at the interest rate applicable to the account the funds came from (0.01%)
- Overall, as Barclays had already reimbursed Mrs M £11,000 of her loss I felt it had already done more than I would've asked it to in this case.

Mrs M responded to my provisional decision and explained she was under a huge amount of stress at the time the scam took place and wanted to reiterate the scammers were very convincing. Barclays responded and confirmed it accepted my provisional 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.

I've thought very carefully about what Mrs M has said, and I have considered everything again. But I haven't reached a different conclusion to the one set out in my provisional decision which I've summarised above. Whilst I do understand and accept Mrs M genuinely believed she was doing the right thing, my role here is to consider whether or not Barclays is

in any way liable for this. For the reasons given it isn't. In terms of reimbursing her for the money she sent to scammers, it's done more than I would've recommended.

However, I consider the money it was able to recover from the beneficiary's bank separate, and this should've been returned to Mrs M sooner than it was. Barclays should pay Mrs M simple interest on £2,148.22 from 12 March 2021 to the date the money was returned to her at a rate of 0.01%.

### **My final decision**

I uphold this complaint in part and require Barclays Bank UK PLC to pay Mrs M the redress I've outlined above. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 23 August 2022.

Faye Brownhill  
**Ombudsman**