

The complaint

Ms B complains that Barclays Bank UK PLC hasn't refunded her the total amount she lost when she fell victim to a scam.

What happened

I issued a provisional decision in March 2023 to explain why I thought Ms B's complaint should be partially upheld. And I said I'd consider anything else anyone wanted to give me. This is an extract from that provisional decision:

"The facts of this case are well-known to both parties, so I don't intend to go over them in detail again here. However, in summary, Ms B made a number of payments between 6 July 2020 and 17 August 2020 in the belief she was helping an individual that she had recently become romantically involved with online.

Ms B had met this individual, who for the purposes of this decision I will refer to as "H", on an online dating platform in late June 2020. Ms B has told she was using the website in question with the hope of finding a marriage partner. Ms B and H soon began sharing messages outside of the website and H explained that he was a mechanical engineer working on an oil rig and once his work was completed, he would be returning home. Unfortunately, unbeknown to Ms B at the time, H was in fact a fraudster.

After messaging for a week or so, H asked Ms B to log in to his bank account to make some payments to his suppliers for him. When a payment didn't go through, Ms B said she would make the payment from her account on his behalf. From this point onwards, Ms B goes on to make numerous payments on behalf of H for what she thinks is for the supply and delivery of materials for him to complete his work. I have detailed these payments in the table below:

<i>Date</i>	<i>Type</i>	<i>Account</i>	<i>Amount</i>
<i>06/07/2020</i>	<i>International transfer</i>	<i>1767</i>	<i>£7,000</i>
<i>07/07/2020</i>	<i>International transfer</i>	<i>1767</i>	<i>£21,754</i>
<i>09/07/2020</i>	<i>International transfer</i>	<i>1767</i>	<i>£6,000</i>
<i>10/07/2020</i>	<i>International transfer</i>	<i>1767</i>	<i>£6,000</i>
<i>15/07/2020</i>	<i>International transfer</i>	<i>1767</i>	<i>£15,000</i> <i>+£25 fee</i>
<i>17/07/2020</i>	<i>Faster payment (UK based)</i>	<i>1767</i>	<i>£12,000</i>
<i>20/07/2020</i>	<i>International transfer</i>	<i>1767</i>	<i>£8,000</i> <i>+£29 fee</i>

27/07/2020	International transfer	1767	£5,424 +£25 fee
27/07/2020	Payment via money transfer service Debit card	5155	£4,126.02
30/07/2020	Payment via money transfer service Bill payment	1767	£5,521.99
31/07/2020	Cash withdrawal In branch via counter	1767	£5,000
31/07/2020	Cash withdrawal In branch ASD machine	1767	£1,000
31/07/2020	Cash withdrawal In branch ASD machine	1767	£90
3/08/2020	Cash withdrawal In branch via counter	1767	£5,000
3/08/2020	Cash withdrawal In branch ASD machine	1767	£2,000
3/08/2020	Cash withdrawal In branch ATM	5155	£500
04/08/2020	Payment to travel agent Debit card	1767	£1,150
10/08/2020	Debit card	5155	£3,016
17/08/2020	Debit card	5155	£2,004.90
17/08/2020	Payment via money transfer service Debit card	5155	£2,003.99

Ms B has said that throughout the scam, she genuinely believed that she was in a loving relationship with H and believed that they would be married when he returned home. However, in mid-August, when Ms B confided in a friend of hers about what was happening, her friend told her this sounded like a scam and to contact her bank immediately. Ms B then got in touch with Barclays to let them know what had happened and to ask if they would refund her the money she had lost.

After some back and forth, Barclays offered to refund Ms B 50% of her total loss – minus any funds sent back from the receiving banks. Barclays said it should've identified that Ms B was likely falling victim to a scam when it contacted her to discuss the first payment. And had it done so, it likely could've prevented the scam. Barclays said it had agreed to refund Ms B 50% of her total loss as it thought she should also bear some responsibility for the success of the scam. It said Ms B had taken no steps to verify what she'd been told by H before making the payments now in question. And it pointed out that Ms B had only known H for a short time, had not met him in person and she had no way of knowing if he would ever pay her back. Barclays did however offer Ms B £500 for the way it handled her complaint and the distress this had caused her.

Unhappy with Barclays response, Ms B brought her complaint to this service and one of our investigators looked into things. The investigator agreed that Barclays's offer was reasonable. He said he didn't need to make a finding on whether Barclays could've done more than it did to prevent the scam – Barclays had already said it could've done more. And therefore, the only thing left for him to consider was whether Ms B should also bear some responsibility for her overall loss. And he agreed with Barclays that she should.

Ms B did not agree with the investigator's findings, she said:

- The activity on her account during the scam was unusual and Barclays should've picked up on this and warned her about potential scams. It had failed to do so, and this shows Barclays had inadequate security measures in place at the time.*
- Barclays had told her it had applied the considerations in the CRM Code when deciding to refund her 50% of her overall loss. The Investigator had said the Code only applied to one of the payments she had made, and therefore this was incorrect.*
- She had told Barclays during her first conversation with them that she was purchasing materials for her partner who worked on an oil rig. She now knows that this is a common ploy used by fraudsters and the bank should've been aware of this at the time and picked up on what she was saying. Had it done so; the scam could've been prevented. Ms B said this information was also confirmed by a member of Barclays staff.*
- Ms B disagreed that she should've identified that something might not be quite right at the start and done more to protect herself. And she didn't think an offer of 50% of her total loss was fair. She said that throughout the scam, she believed this was the man she was going to marry and so she didn't question what he had told her. Ms B said this was a sophisticated scam and she had been convinced H was legitimate and had wanted to help him. So, it never crossed her mind that something might be wrong.*
- Ms B disagreed with our investigators finding that her story as to the reason she was making the payments had changed throughout the scam. She said this wasn't true and she had maintained throughout that she was purchasing supplies for her partner. This is what she believed she was doing and so she had no cause to say anything else.*
- Ms B disagreed with the investigators finding that further intervention from the bank was unlikely to have stopped her continuing to make payments due to the*

depths of the spell she was under. Ms B reiterated that the bank could've prevented the scam had it intervened.

- Ms B said the total loss detailed in the Investigators view was incorrect and disagreed that the £500 offered to her in compensation was enough.*
- Ms B's over-arching point was that the bank had accepted fault here and therefore it should offer her a full refund of the total amount she had lost.*

Our investigator considered Ms B's additional points but didn't change his mind.

As an agreement was not reached, the case was passed to me for a decision.

What I've provisionally 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulator's rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Having done so, I'm minded to reach a different outcome to the one reached by our investigator. I'm currently of the opinion that Barclays should refund Ms B some of the initial transactions she made in full. I'll explain why in more detail below.

Firstly, however, I want to acknowledge the detailed submissions Ms B has put forward in support of her complaint. I'd like to assure her I have read everything she has provided in its entirety – including the messages shared between her and H throughout the course of the scam. However, I don't intend to respond in similar detail. I've focussed on what I consider to be the key points and the crux of the complaint. And if I don't mention a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. Instead, it's just that I don't feel the need to reference it in order to explain my decision. This isn't intended as a discourtesy – it's just a reflection of the informal nature of our service.

The banks obligations

Ms B has said she was informed by Barclays that it had assessed her complaint against its obligations under the CRM Code. Barclays is a signatory to the Lending Standards Board's Contingent Reimbursement Code ("the CRM Code"). The code requires banks, such as Barclays, to refund customers who have been the victims of a scam, with some limited exceptions. However, in this particular case, the code only applies to one of the transactions Ms B made - the £12,000 bank transfer she made on 17 July 2020 to a UK bank account. It doesn't apply to any of the transactions that were made to international accounts or that were made using Ms B's debit card or with cash.

The regulations relevant to the initial international transfers dictate that where Ms B authorised the transfers herself, she should be held liable for them in the first instance. In other words, the starting position is that banks are expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

There's no dispute here that Ms B authorised the transfers herself. However, where a customer makes a payment as a consequence of the actions of a fraudster, it may

sometimes be fair and reasonable for the bank to reimburse the customer even though the consumer authorised the payment.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.*
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things).*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

Barclays fraud monitoring system did identify the initial transaction as warranting further attention and it contacted Ms B to discuss the payment before it was allowed to leave her account. However, Barclays did not identify that Ms B was likely falling victim to a scam. Barclays has already accepted that it could've done more here and it should've identified that something might not be quite right. Had it done so, it could've prevented the scam from this point onwards. Because of this, it has agreed to refund Ms B 50% of her total loss.

As Barclays has already agreed it ought to have done more, I don't propose to offer further comment on Barclays' obligations - except to say that I agree Barclays could've done more to uncover and prevent the success scam from the outset.

As I'm satisfied that Barclays should bear some responsibility for the success of the scam, the next thing for me to consider is whether it would be fair and reasonable for Ms B to also share some responsibility for her losses by way of contributory negligence. And I think she should. However, I don't agree that Ms B should bear this responsibility from the first transaction onwards. I'll explain why in more detail below.

Should Ms B bear some responsibility for her overall loss

Firstly, I want to stress that I have no doubt Ms B genuinely believed what she was being told by H. She has consistently told us that throughout the course of the scam, she believed they'd started a loving relationship and were to be married. I have no reason to doubt what Ms B has told us. However, Ms B believing H was legitimate isn't good enough, I have to consider whether it was reasonable for Ms B to believe what she was being told given everything that was happening during the scam.

Ms B has told us that she was specifically looking for a marriage partner on the dating website in question and she had been quite specific about this from the outset. She's told us that in her culture it isn't unusual to start discussing marriage quite quickly when a suitable partner is found. And so, the relationship between her and H progressing so quickly wasn't a red-flag for her. With this in mind, I can understand why this didn't raise any red-flags for Ms B, she simply thought she had found what she'd been looking for. So, I don't think the speed with which marriage was discussed between Ms B and H was so usual here that it means Ms B should've had cause for concern from the outset – as our investigator said. I've also had to bear in mind that, at the time, Ms B wouldn't have been aware that the story provided to her by H, is a common scenario presented by fraudsters perpetrating this particular type

of scam. At the time, I understand why Ms B found this explanation plausible and why it appeared to explain why H was often unable to speak on the telephone.

I also have to bear in mind that this was a sophisticated scam. H had been able to pretend that he had attempted voice-calls with Ms B on various occasions, but the signal was lost. And by the time Ms B offered to make the first payment on his behalf, he had been able to falsify a video-call too. This meant Ms B believed she had very nearly been able to speak to him in person and believed she had seen him in person via video-link – however we now know this was likely a pre-recorded video designed to fool Ms B.

H had also been able to persuade Ms B that she was speaking with genuine steel suppliers on his behalf and that her correspondence with them was legitimate. And he'd given Ms B access to what she thought was his genuine bank account which appeared to contain significant funds. In short, H had used a number of social engineering techniques that were designed to manipulate Ms B and draw her into the scam and into believing what she had been told – using emotive explanations to justify why he needed the funds he was requesting and why he needed them so quickly. And so, whilst I do acknowledge that there were some red-flags right from the outset, I don't think there was anything significant enough, given Ms B's knowledge and cultural context, that means Ms B acted negligently from the outset.

However, having said the above, I have significant concerns about how plausible H's story became as the scam continued over time. I have read the messages shared between H and Ms B during the course of the scam and he appears to have required money to facilitate various unexpected projects, and as a result of numerous errors and emergencies. All of which required the urgent transfer of funds over a matter of days. And I think it's unlikely all of the above would've happened to the same person within a relatively short period of time. By 9 July 2020, he had asked for around £40,000 in three days and I'm satisfied that this should've given Ms B significant cause for concern.

At this point, I have to bear in mind that Ms B had not met this individual in person and she had only been communicating with him for around three weeks. She had not sought to verify his identity or what he had told her and she had no way of knowing that he would pay her back or that they would meet face to face - other than what he had told her. She simply accepted what he said at face value. And so, whilst as I've said above, I have no doubt that Ms B genuinely believed what she was being told, I'm not persuaded that her belief was reasonable as the scam continued. And given the sums involved by this point and the near constant requests for money, I'm satisfied Ms B should've been concerned. By the third transaction, there were a number of red-flags and the story became less and less believable over time. And towards the end of the scam, it's not really clear why Ms B is having to make payments on his behalf at all. But by this point, it's clear Ms B is so embroiled in the scam that she isn't stopping to think about what she is being asked to do.

Overall, I'm satisfied that a reasonable person ought to have had significant concerns about what was happening as the scam went on. And from reading the messages shared between Ms B and the scammer, it's clear that Ms B did have at least some concerns herself. But she continues to make payments, it appears in the hope that the relationship is real and because of this, she also takes a risk that it is not. And so, having considered all of the evidence I have available to me, I do think Ms B should bear some responsibility for her overall loss. I'm satisfied it would be fair and reasonable for Ms B to bear responsibility of 50% of her total loss from 9 July 2020 onwards – as it is at this point the story starts to become less plausible and the sums involved have started to increase.

Recovery of funds

I've also thought about whether Barclays could've done more to help Ms B once it was notified of the scam but I don't think it could.

In regard to the debit card payments, the only option available to Barclays to recover Ms B's funds would've been to raise a chargeback under the Visa chargeback scheme. However, I don't think it's unreasonable for Barclays to have decided not to pursue this course of action and I agree that any potential chargeback would've likely been unsuccessful. Ms B's funds were transferred via third-party money remittance services. And so in this case, the requested service, the conversion of the funds into the relevant currency and the transfer onwards, had been provided by the service provider. And so I don't think it's unreasonable for Barclays to have declined to pursue this course of action.

The majority of the funds here were transferred to international bank accounts and international banks aren't bound by the same rules and regulations as banks within the UK. Barclays is reliant upon the international banks choosing to return funds or not. I can see that two payments were returned to Ms B and that Barclays contacted the international banks about the other payments too. But unfortunately, no further funds were sent back.

I can also see that Barclays contacted the UK bank in regard to the payment made on 17 July 2020 but no funds remained in the account to be returned to Ms B.

There was no avenue open to Barclays to have sought to recover the cash payments Ms B made via the money remittance providers.

Customer service

Finally, I have considered whether it would be fair and reasonable to require Barclays to pay Ms B compensation over above the £500 already offered to her for the trouble and upset she's experienced.

I'm very sorry to hear about what happened to Ms B. She has been the victim of a cruel scam, one that preys on the good nature of its victims. I'm also very sorry to hear about the impact it's had on her emotionally and the continuing impact on her mental health - which she has been open and honest about. But, ultimately, I do have to stress here that her loss, and much of the trouble and upset she's experienced, were caused by the cruel and callous acts of the fraudster, not Barclays. At the same time, I acknowledge that if Barclays had handled her complaint better from the outset then some of the ongoing effects on Ms B could've been avoided. I understand that Barclays changing its offer and not communicating its reasons as to why clearly would've been upsetting for Ms B. I also understand why being told conflicting things as to the progress of her complaint would've added an extra level of worry and anxiety to the distress Ms B was already feeling. However, Barclays has already offered Ms B £500 to compensate her for the distress caused by the confusion and errors in its investigation. This is more than I would've likely recommend given that a certain amount of distress and inconvenience is inevitable when complaining about such scams and so I'm satisfied Barclays current offer of £500 is fair.

Summary

I'm sorry Ms B has lost money and I can understand why she would like to be compensated in full for all her losses. There is no dispute that she has been the victim of a horrible scam. I am deeply sorry to hear about what happened to Ms B, but her being the victim of a scam, doesn't automatically mean Barclays is liable for all of her losses. I realise my decision will be a significant disappointment to Ms B. However, despite my natural sympathy for the situation she finds herself in, ultimately, I think she should bear some responsibility for her

actions - although not to the extent that Barclays suggested. It therefore follows that I think Barclays' refusal to fully reimburse Ms B for the majority transactions is fair and reasonable. However, it should reimburse Ms B for the transactions made prior to 9 July 2020, in full.

Putting things right

In order to put things right for Ms B, I'm currently minded to ask Barclays Bank UK PLC to:

- *refund Ms B the first two transactions in full - taking into account any refunds already paid.*
- *Add interest on the above at the account rate from the date each payment was made to the date of settlement."*

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 minded to reach the same overall conclusions as I reached in my provisional decision. I'll explain why in more detail below.

Barclays responded to my provisional decision to say it had nothing further to add. Ms B responded to say that whilst she partially agreed with my decision, she would like me to consider asking Barclays to refund her all of the bank transfers she'd made in full.

Ms B said the majority of the bank transfers that took place during the scam were made in branch, not online, as had been set out in the table of transactions in my provisional decision. Ms B said that each time she had been in branch, she had told each of the advisors she had spoken with that she was transferring money to pay for her partners job-related materials as he works on an oil-rig in the North Sea.

Ms B stressed that none of the advisors picked up on this or told her they thought this might be a scam – which they should've been aware of at the time. She stressed that no one at the bank had picked up on the amount of transactions she was making to lots of new payees. Ms B reiterated that when she originally spoke to Barclays about what had happened, one of its advisors had said his colleagues had missed many opportunities to uncover the scam and therefore to prevent Ms B's continued losses. For these reasons, Ms B felt that Barclays should refund all of the bank transfers she had made as part of the scam in full.

I acknowledge what Ms B has said about the majority of the transfers being made in branch and I have updated the transaction table to remove the reference to online transfers.

I also want to acknowledge what Ms B has said about Barclays not identifying that she was likely falling victim to a scam from the outset. As I said in my provisional decision, I agree that Barclays should've identified that Ms B was likely falling victim to a scam from the first conversation it had with her. And Barclays agrees with this too. However, this doesn't necessarily mean that Barclays should be held liable for all of the transfers Ms B made now. Once Barclays' role in the success of the scam has been agreed, the next thing I need to think about is whether Ms B should also bear some responsibility for the success of the scam and her losses. And as I said in my provisional decision, I think she should. This is the reason I recommended that Ms B and Barclays should share responsibility for the overall loss from the 9 July 2020 onwards. The redress I recommended reflects that both Ms B and Barclays played a role in the success of the scam.

As Neither Ms B nor Barclays has provided any new evidence or submissions that has changed my mind, I see no reason to depart from the conclusions I reached in my provisional decision.

Putting things right

In order to put things right for Ms B, Barclays Bank UK PLC should now:

- refund Ms B the first two transactions in full - taking into account any refunds already paid.
- add interest on the above at the account rate from the date each payment was made to the date of settlement.

My final decision

My final decision is that I partially uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 21 April 2023.

Emly Hanley
Ombudsman