

The complaint

Mr B is unhappy that he only received a partial refund from his bank – Barclays Bank UK PLC – after he was the victim of an authorised push payment (APP) scam.

What happened

Mr B was called by scammers pretending to be from Barclays saying his account was under threat and he needed to move his money to keep it safe. Mr B said the callers knew his name and some of his account information. Overall, he said the caller was very convincing and knew all the processes and talked him through what to do, step by step. Mr B ultimately followed the scammers instructions to move his money. In total, Mr B made ten transfers to three different banks (Banks A, B and C) over the course of three days. He said he was told the money couldn't be moved at once which is why he had to do it over several days and separate transactions. And he didn't question the different payees he was setting up as he says he didn't receive any warnings that would lead him to question what he was being told on the phone.

When Mr B realised he'd been scammed, he raised it with Barclays. Barclays refunded £3,150.85 of his losses, saying he was entitled to a partial refund as it agreed there had been bank errors, but as Mr B hadn't confirmed the authenticity of the beneficiary he wouldn't be receiving a full refund.

Mr B brought his complaint to our service and ultimately received two different opinions. The first said he should receive additional refunds from Barclays on the payments he made to Banks A and B – which would split liability equally between the sending bank – Barclays, the receiving banks and Mr B. The second opinion said Barclays didn't need to refund anything further. Mr B had already received the refund amount, that he would have recommended – which was a 50% refund from the fifth payment onwards – which is when he thought Barclays ought to have considered Mr B was at risk of financial harm and intervened with effective warnings – in line with the CRM code.

Mr B remained unhappy as he was seeking a full refund of his losses. The complaint was passed to me.

I have been in touch with both Mr B and Barclays since the complaint was passed to me. When speaking with Mr B I've gathered more detail about his version of events and the difficulties he's had understanding what refund he's received and why. I've also corresponded with Barclays and during this time it remained unclear what refund Barclays had paid to Mr B and why.

Barclays final response and later correspondence, with our service, did not provide clarity on the reason for refund amount it had paid. It didn't explain whether it was admitting liability under the CRM code or whether the refunds originated from the receiving banks as they had admitted some liability. After several interactions I was able to ascertain that Barclays was saying it wasn't liable for any of Mr B's losses and the partial refunds had original from Banks A and C.

I disagree and I'm satisfied Barclays is partly liable. I have already set out my reasons and recommendation in an informal provisional decision to both Mr B and Barclays. Mr B has accepted my provisional findings. Barclays has failed to engage with those recommendations or correspondence and so I have set out my findings formally in a final 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 think Barclays is partly liable for Mr B's losses. I say this because:

- There was an "extra care marker" on Mr B's account - meaning it needed to review his account with care - this had been on his account dating back to 2000. Barclays says it asked Mr B what the marker was for and he didn't know and it didn't know either. Barclays can't provide any further detail about this. Mr B hasn't told us about any underlying conditions or his circumstances that might have warranted this marker. However, the marker was there at the time the scam occurred, so I think this is a factor Barclays ought to have taken into account when looking at Mr B's account activity.
- When Mr B made the transactions, he had to complete payee details about the destination account/receiving account. When doing so Mr B added the payee as being in his name. When a check on the account name was made this would have displayed a result saying they didn't match. I think this is something that both Mr B and Barclays ought to have taken into account when proceeding with the payment.
- The first scam payment was for £1.40 but after this Mr B made a payment of £1,200 and £850 to a new payee where the name didn't match. Although these values aren't particularly high in value generally, or in relation to Mr B's account usage, I think the account name not matching and the extra care marker on Mr B's account mean that Barclays ought to have considered these payments as potentially Mr B being at risk of financial harm and intervened.
- Because of this, under the CRM code, Barclays ought to have provided effective warnings with regard to those initial payments. And because it didn't, Barclays hasn't meet its requirements under the code. I'm satisfied Barclays is therefore partly liable for Mr B's losses.

But I have only found that Barclays is partly liable for Mr B's losses. It doesn't need to provide a full refund. I say this because Barclays can rely on an exemption not to refund in full if Mr B didn't have a reasonable basis for believing the person, he was dealing with was legitimate. These are the same points that both investigators made when they considered the complaint. There were factors about the scam which I think ought to have been red flags to Mr B.

- The call came from a mobile number which wasn't linked to the bank in anyway and Mr B didn't go on to check the identity of the caller.
- Mr B said the caller knew his name and account number and was very convincing as they knew the processes. But I don't think this alone, was enough for Mr B to have reasonably believed he was speaking with his bank and to follow the instructions they gave thereafter.
- Mr B also would have received the notification that the account name didn't match and this ought to have been concerning as he thought he was paying an account in his name - in order to keep the funds safe.

- And if Mr B's money wasn't safe it's not clear why he needed to make transfers over a number of days rather than transfer it all at once.

So this leads me to conclude that Mr B is also partly liable for his losses.

How to calculate the refund

Where the receiving bank has already refunded 50% (Banks A and C) of Mr B's losses then Barclays is liable for 16% of the remaining losses, with Mr B liable for 33% of the losses. And where the receiving bank hasn't said it was liable (Bank B) then both Mr B and Barclays are jointly (50%) liable. I've set this out in a table below to help clarify what refunds I'm awarding and where the refunds Mr B has already received, originated from.

Payment date	Payment amount	Receiving bank	Receiving bank refund	Customer liable amount	Barclays refund	Barclays liability
24/03/21	£1.40	Bank A	50%	33%	16%	£0.16
24/03/21	£1,200	Bank A	50%	33%	16%	£192
24/03/21	£850	Bank A	50%	33%	16%	£136
25/03/21	£1,400	Bank B	0	50%	50%	£700
25/03/21	£1,100	Bank B	0	50%	50%	£550
25/03/21	£700	Bank A	50%	33%	16%	£112
26/03/21	£1,400	Bank A	50%	33%	16%	£224
26/03/21	£1,100	Bank A	50%	33%	16%	£176
26/03/21	£450	Bank A	50%	33%	16%	£72
27/03/21	£600	Bank C	50%	33%	16%	£96
Total loss	£8,801.40					£2,258.16

Putting things right

The refund Barclays needs to pay is £2,258.16.

In addition to the refund from Barclays I am recommending 8% simple interest to be added from the date of each and all the payments to the date of settlement.

And I'm recommending £300 in compensation for the distress and inconvenience caused by the poor complaint handling and lack of clarity about how it explained its outcome of this complaint to Mr B and continued to do so throughout the course of the complaint.

If **Barclays** considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell **Mr B** how much it's taken off. It should also give **Mr B** a tax deduction certificate if **he** asks/ask for one, so **he** can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I partially uphold this complaint against Barclays Bank UK PLC and my recommendations for a partial refund are set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 August 2023.

Sophia Smith
Ombudsman