

## The complaint

Mr C complains that Barclays Bank UK PLC is refusing to refund him the amount he lost as the result of a scam.

Mr C is being represented by a third party. To keep things simple, I will refer to Mr C throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr C received a call from a business claiming to be ECN premium / CFD Premium (X). Mr C cannot recall how X obtained his details but said it's likely he had completed an online form having shown an interest in an investment opportunity.

X explained an investment opportunity to Mr C and helped him through the process of investing with the use of a screen sharing application. Mr C started investing with a small amount and could see his investment growing via a trading platform provided to him by X.

According to the information available to Mr C and that he has provided to us, his investment had grown by more than three times what he had invested in less than 12 months. Mr C therefore attempted to withdraw his profits.

Mr C was told he would have to make further payments in relation to withdrawal fees, but he was still unable to make a withdrawal and it was clear he had fallen victim to a scam.

The following payments were made from Mr C's account with Barclays in relation to the scam:

<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
4 May 2018	Blonde Bear	Debit Card (international)	£190.47
4 May 2018	Trade Prime	Debit Card (international)	£190.47
7 May 2018	E W Trading	Debit Card (international)	£760.30
14 May 2018	E W Trading	Debit Card (international)	£759.23
25 May 2018	E W Trading	Debit Card (international)	£1,159.77
18 June 2018	E W Trading	Debit Card (international)	£1,165.47
29 June 2018	E W Trading	Debit Card (international)	£2,569.67
10 July 2018	China	Debit Card (international)	£2,413.25
25 July 2018	E W Trading	Debit Card (international)	£1,173.72
29 November 2019	Tradewise	Debit Card	£3,000.00
29 November 2019	Tradewise	Debit Card	£2,000.00

Our Investigator considered Mr C's complaint and didn't think it should be upheld. Mr C disagreed, so this complaint has been passed to me to decide.

## **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.

It has not been disputed that Mr C has fallen victim to a cruel scam. The evidence provided by both Mr C and Barclays sets out what happened. What is in dispute is whether Barclays should refund the money Mr C lost due to the scam.

### *Recovering the payments Mr C made*

Mr C made payments into the scam via his debit card. When payments are made by card the only recovery option Barclays has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Unfortunately, Mr C made his complaint to Barclays outside of the allowed time to raise a chargeback and therefore Barclays has been unable to attempt a chargeback for the payments Mr C made into the scam.

### *Should Barclays have reasonably prevented the payments Mr C made?*

It has been accepted that Mr C authorised the payments that were made from his account with Barclays, albeit on X's instruction. So, the starting point here is that Mr C is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Barclays should have been aware of the scam and stepped into question Mr C about the payments he was making. And if it had questioned Mr C, would it have been able to prevent the scam taking place.

It appears a call between Mr C and Barclays took place around the time the payments were made but given the passage of time neither Mr C nor Barclays can provide evidence or a good recollection of what was discussed. So, I'm unable to consider the content of this call.

It would not be reasonable of me to suggest Barclays should step in every time one of its customers makes a payment of a relatively low value to a new payee. The payments Mr C made in relation to the scam were made over several months and were not individually of a value high enough that I would expect them to trigger Barclays' fraud prevention systems prompting it to step in and question Mr C in depth about what the payments were for. It was also not unusual for Mr C to make multiple payments from his account in the same day to the same payee.

As I don't think it was unreasonable that the payments Mr C made in relation to the scam did not prompt Barclays to step in and question Mr C. I don't think Barclays missed an opportunity to prevent the scam and it is not responsible for Mr C's loss.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 March 2024.

Terry Woodham  
**Ombudsman**