

The complaint

Ms P complains that Barclays Bank UK PLC did not take the actions they said they would which resulted in distress and inconvenience for her.

What happened

Ms P transferred £1,650 to a family friend to purchase flight tickets and her friend paid the travel agent, however, they didn't receive the tickets. Ms P contacted Barclays as she had provided the travel agent with her personal details, and she was worried about being a victim of a scam. Barclays raised a scam investigation, and they contacted her friend's bank and they returned the £1,650 to her account, but this resulted in her friend's account being blocked by the third party bank. Ms P withdrew the scam claim and Barclays debited the £1,650 from her account, but her friend's account was still blocked with the third party bank.

Ms P said she spoke to Barclays branch staff when she withdrew the claim and she says she was told her friend's account would be unblocked in 14 days, but the account was still blocked several months after she withdrew the claim, which has resulted in severe hardship for her friend. Ms P says Barclays did not inform the third party bank that she withdrew the scam claim - which could have removed the block from the third party account, so she had to make several calls and branch visits to try and rectify this, but the block still stayed on her friend's account. Ms P made a complaint to Barclays.

Barclays did not uphold Ms P's complaint. They said when they spoke to Ms P on 25 April 2022, they told her they'd be approaching the bank in which the funds were sent to. They said they couldn't comment on what action other banks decide to take when receiving communication from them, and on this occasion, as they were claiming a potential scam payment, the third party bank took the decision to temporarily block her friend's account, and she would need to take it up with the third party bank to remove the block. Ms P brought her complaint to our service.

Our investigator said that Barclays paying Ms P £250 would be a fair outcome for the complaint. She said she appreciated what a frustrating time this would have been for Ms P, but Barclays acted on the information they had, and they met their obligations by informing the third party bank about the scam claim. She said the removal of the block from Ms P's friend's account was a decision for the third party bank and not something that Barclays could influence. Ms P asked for an ombudsman to review her complaint and she said Barclays should pay her compensation of £17,000 for what happened.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

I must make it clear to Ms P that as this complaint is about Barclays I can only consider the actions of Barclays here and not the third party bank which was involved. As Ms P is the only eligible complainant as part of this complaint, I can only consider compensation for the

impact Barclays actions had on her solely, and I can't consider the impact Barclays actions had on her friend as her friend is not an eligible complainant as part of this complaint.

Ms P has made a number of points to this service and I've considered and read everything she's said and sent us, including what she's said about her health and what she told Barclays about this. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

I've listened to the call that Ms P had with Barclays on 25 April 2022. She feels that Barclays misunderstood what she was saying on the call and therefore they incorrectly raised a scam claim against her friend, which ultimately ended in her friend's account being blocked. The call handler tells Ms P that they would need to share information with the bank that received the money, and this may result in actions being taken against the person who received the money. She is asked if she has any questions about this and she says no. So Ms P should've been reasonably aware that action could have been taken against her friend – even though she was not the person ultimately responsible for the failure for the tickets to be sent to Ms P.

Ms P tells the call handler that her funds have went to her friend and the call handler tells her that is what they would be working on. The call handler asks if "she" (her friend) has taken the funds illegally from Ms P and Ms P says "yeah". I've read what Ms P has said about the call and the medication she was on at the time meant she didn't realise that action would be potentially taken about her friend. But Barclays could only take into account what she told them on the call and what she agreed to. So I'm not persuaded that Barclays made an error in raising the scam claim when they did.

Ms P contacted Barclays on 28 April 2022 when her friend's account was blocked and she visited a Barclays branch to withdraw the claim. Barclays did withdraw the claim at their end. As the scam claim was withdrawn, this is why Barclays removed the £1,650 they had refunded her out of her account. This is what I would expect them to do when Ms P withdrew her claim. She says that a staff member told her that the block on her friend's account would be removed in 14 days. But I'm not persuaded that the staff member would have been able to tell Ms P what would happen to a block on an account at a third party bank as this would be out of Barclays' control – even if they would have notified the third party bank that the scam claim had been withdrawn.

I've considered whether Barclays have done what they should have done here when Ms P withdrew her scam claim. When Barclays had told the third party bank that they had refunded the funds to Ms P's account before the scam claim was withdrawn from Ms P, the third party bank told Barclays that they needed more time to investigate the claim. So as Barclays knew the claim was open from the other bank, it would have been reasonable to have communicated the withdrawal of the claim to the other bank who had since put a block on Ms P's friend's account. But they did not do this. They also did not send any communication to Ms P to show her that the scam claim had been withdrawn. If they did this, then Ms P would have been able to show her friend's bank this information which may have helped the block be removed in a timely manner.

Ms P called Barclays several times for the claim to be withdrawn and for them to ask Barclays to contact the third party bank to remove the block from her friend's account. And Ms P says she has visited both banks to try and get this resolved. But I've seen no evidence that Barclays did contact the third party bank to inform them that the claim had been withdrawn. This caused distress to Ms P that Barclays weren't contacting the third party bank, at a time when Barclays were aware of her serious health issues. This meant Ms P had to ring Barclays again to try and get them to contact the third party bank, but they didn't do this.

Barclays would not be responsible for the actions of the third party to place a block on her friends account, or to remove the block on the account. But they did not help mitigate the situation by either sending Ms P a letter confirming she had withdrawn the scam claim, or to contact the third party bank to inform them about this. The third party bank had told Ms P's friend that Barclays hadn't contacted them since their initial report and so as Barclays hadn't informed them of a change in the information they gave them, then they had been unable to remove the block.

I'm satisfied that had Barclays confirmed in writing to Ms P or the third party bank that the scam claim had been withdrawn, then this situation would have been resolved in a timely manner – or at least there would be no more that Barclays could reasonably have done. And as a result of not doing this, they caused Ms P distress and inconvenience at a very vulnerable time of her life. I'm persuaded that by Barclays not contacting the third party bank, this would have left Ms P feeling frustrated, and appeared to her that Barclays weren't listening to her when nothing happened after she kept contacting them.

I've considered what would be a fair outcome for this complaint. Ms P wants £17,000 compensation for what happened here. But this is not in line with our guidance for compensation for the impact of Barclays actions. Our investigator said £250 was fair compensation, but I'm not persuaded that this recognises the impact that Barclays actions/lack of action had on Ms P especially when they were aware of her health situation at the time on the call when she made the scam claim, and subsequent calls when they noted this on their system.

I'm persuaded that £500 would be fair compensation for what happened here. Barclays did know about Ms P's serious health issue based on the initial call and their notes. But they have not provided our service with any evidence that they had contacted the third party bank to let them know the scam claim had been withdrawn. Even if it would not be their normal procedure to notify the third party bank, once Ms P had explained the situation to Barclays, it would have been proportionate to contact them to inform them of this, or at the very least to send Ms P a letter confirming that she had withdrawn her claim (which Barclays have admitted to us that they could have done this).

Barclays actions (and lack of actions) caused Ms P considerable distress, upset and worry. It also caused her significant inconvenience at a time where she was vulnerable due to her recent health issues she had told Barclays about. So I'm persuaded that £500 compensation is proportionate for the impact this had on her. So it follows I intend to ask Barclays to put things right for Ms P."

I invited both parties to let me have any further submissions before I reached a final decision. Barclays accepted the provisional decision. Ms P did not respond to the 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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask

Barclays Bank UK PLC to pay Ms P £500 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. Barclays Bank UK PLC should pay Ms P £500 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 27 October 2023.

Gregory Sloanes
Ombudsman