

Complaint

Miss R is unhappy that Barclays Bank UK PLC didn't reimburse her after she fell victim to a scam.

Background

In September 2021, Miss R fell victim to an employment scam. She was approached by a company and offered a job. Essentially, the role was an affiliate marketing one and she was asked to write positive reviews about venues connected with the company. In order to participate, she had to pay to unlock "tasks" on the company's platform. She did this in the anticipation that she'd eventually earn enough money back to make the upfront cost worthwhile.

She made the following payments in connection with the scam:

06-Sep 2021	£ 140.00
06-Sep 2021	£ 300.00
06-Sep 2021	£ 825.00
07-Sep 2021	£ 20.00
07-Sep 2021	£ 1,000.00
12-Sep 2021	£ 22.00
12-Sep 2021	£ 700.00
12-Sep 2021	£ 740.00
12-Sep 2021	£ 950.00
12-Sep 2021	£ 1,620.00
23-Sep 2021	£ 42.00
23-Sep 2021	£ 1,600.00
26-Sep 2021	£ 20.00
26-Sep 2021	£ 200.00
26-Sep 2021	£ 960.00
26-Sep 2021	£ 2,250.00
26-Sep 2021	£ 2,265.00
27-Sep 2021	£ 25.00
27-Sep 2021	£ 3,155.00
27-Sep 2021	£ 3,400.00
28-Sep 2021	£ 65.00
28-Sep 2021	£ 1,200.00
28-Sep 2021	£ 2,000.00
28-Sep 2021	£ 5,650.00
TOTAL	£ 29,149.00

Once she realised she'd fallen victim to a scam, she notified Barclays. As far as I can see, she didn't receive a response to her complaint and so she referred it to this service. It was

allocated to an Investigator who asked Barclays to provide evidence supporting its position on the complaint. Unfortunately, it didn't submit a file to the Investigator. The Investigator therefore considered the complaint based on the limited evidence that he had available to him.

He upheld it in part. He said that Barclays ought to have recognised that there was an enhanced risk of fraud associated with these payments and contacted Miss R to ensure she wasn't at risk of financial harm. If it had done so, he was persuaded that it would've been possible to uncover the scam and prevent her subsequent losses. However, he also thought that it was fair and reasonable for Miss R to be considered partially responsible for her own losses. She'd recently fallen victim to another scam and so should've been particularly vigilant about the risk of subsequent scams. He also thought she should've regarded the offer as too good to be true.

Barclays didn't respond to the Investigator's view, nor to the subsequent chasers he sent. As no agreement has been reached between the parties, the complaint was passed to me to consider.

Findings

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

Our statutory rules provide – at DISP 3.5.8 to 3.5.15 of the Financial Conduct Authority Handbook – that we may give case-management directions and fix or extend deadlines and that we may:

... reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested;

And that:

If a respondent fails to comply with a time limit, the Ombudsman may: (1) proceed with consideration of the complaint; and (2) include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make.

I emailed Barclays on 20 December 2023 to set out my initial thoughts on the complaint. I wrote:

In the absence of a full file, it's not straightforward for me to reach a finding on this case. Individually, most of these payments were not particularly large. However, I'm satisfied that Barclays ought to have had concerns from 12 September when [Miss R] made the payment of £1,620.

By that point, she'd moved over £6,000 in a relatively short period of time and this was out of keeping with the typical use of her account. In addition, she was making payments to the same payee that was associated with a scam that she fell victim to earlier the same year. I can see that Barclays was aware of that first scam in August 2021 and so I think it ought to have recognised the possibility that she was falling victim to a scam once again.

It shouldn't have processed that payment without first contacting [Miss R] to satisfy itself that she wasn't at risk of financial harm due to fraud. If it had done so, I think it's likely that the scam would've come to light. From the evidence I've seen, [Miss R]

wasn't told to mislead the bank if questioned about why she was making the payments and so I think it's more likely than not that she'd have been candid about what she believed she was doing. In addition, this bore all the hallmarks of a commonly occurring scam type that Barclays would've been in a position to recognise. If it had questioned that payment with her, it could've appropriately warned her about the risks involved.

Overall, I think that if Barclays had intervened at that point, it's likely her subsequent losses would've been prevented. However, the Investigator also said that she should be considered partially responsible for her own losses here and I'd agree with that conclusion. In particular, I think she ought to have been concerned at being asked to send money to participate in what she believed was a job opportunity. This is a complete inversion of the employer-employee relationship and I think she ought to have found the arrangement strange and proceeded only with great caution. The Investigator said that Barclays should be entitled to make a 50% deduction from any compensation payable to her and I think that's fair and reasonable.

Based on what I've seen so far, I'm likely to direct Barclays to pay [Miss R] £12,226.00 (50% of her loss from the point I've said Barclays should've intervened) and to add 8% simple interest to that sum calculated to run between the date the payments left her account and the date any settlement is eventually paid.

I will consider any arguments or evidence that Barclays would like to provide by Friday 12 January 2024. After that date, I will progress the case accordingly by issuing a final decision.

I've not received a response to that email. I've therefore concluded that, in the absence of a response from Barclays, it is fair and reasonable to proceed on the basis of the evidence we already have and to take account of its failure to reply to the Investigator's opinion. As a result, I'm upholding this complaint along the same lines as proposed by the Investigator and re-iterated in my email of 20 December 2023.

Final decision

For the reasons I've set out above, I uphold this complaint.

If Miss R accepts my decision, Barclays Bank UK PLC should pay her £12,226.00 (50% of her loss from the point I've said Barclays should've intervened). It should also add 8% simple interest to that sum calculated to run between the date the payments left her account and the date any settlement is eventually paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 14 February 2024.

James Kimmitt
Ombudsman