

## **The complaint**

Ms K complains that Barclays Bank UK PLC didn't act fairly when she fell victim to a scam, including closing her accounts.

## **What happened**

Ms K had several accounts with Barclays including a current account and a savings account.

In April 2021 Barclays let Ms K know that it was reviewing her accounts and that it had placed restrictions on them in the meantime. Barclays subsequently let Ms K know that it had decided to close her accounts with immediate effect.

In November 2021 Ms K contacted Barclays to say that she'd been the victim of two scams. She said she'd lost over £160,000 to an investment scam and a subsequent recovery scam.

Barclays looked into Ms K's claim and said that it wasn't able to offer a refund. Ms K complained saying that she'd lost a mixture of her own funds and savings and income and loans from third parties. Barclays says it asked Ms K for more information about the source of the funds, but Ms K didn't reply. In the circumstances, Barclays said that it didn't think it had acted unfairly. Ms K complained to our service with the help of a representative.

One of our investigators looked into Ms K's complaint and said that they didn't think Barclays had acted unfairly when it closed her accounts. However, based on additional information Ms K sent us, our investigator thought that Ms K had shown the source of some of the funds that she said she'd lost. So, our investigator recommended that Barclays refund the amounts Ms K had lost from 27 October 2020 onwards as our investigator was satisfied that Barclays should have had concerns that she was falling for a scam at that stage. Our investigator said the additional evidence Ms K had sent us showed £47,277's worth of those losses were funds belonging to her – specifically funds that had come from her savings account. As our investigator thought there were a number of red flags, they also recommended that liability be shared equally. In other words, they recommended that Barclays refund 50% of £47,277 from the date of payment until the date the funds are returned plus interest.

Barclays agreed on this occasion to our investigator's recommendation. Ms K's representatives didn't. They said that Barclays had no right to refuse a refund in this case – that the money in Ms K's accounts belonged to her. And they said that our investigator's decision was illegal, irrational, unfair and showed bias. They asked for Ms K's complaint to be referred to an ombudsman for decision. So, her complaint was passed to me.

## **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'm satisfied that Ms K started making payments to what turned out to be an investment scam in October 2020 and that by January 2021 she'd sent just over £110,000 towards this scam. I'm also satisfied that Ms K then fell for a recovery scam and sent just over £50,000

more towards this scam. I agree with our investigator that Barclays should have picked this up earlier, and that there were red flags that Ms K ought to have picked up on too. So, I agree that Barclays could have done more to prevent Ms K's losses from October 2020 onwards and that liability for those losses should be shared on a 50/50 basis.

Before agreeing to a refund Barclays can fairly ask a customer to evidence the source of the funds they're saying they've lost. In this case that's something Barclays had done several months earlier when it came to review Ms K's accounts. I don't think that's unreasonable taking all of Barclays' obligations into account. In this case I'm also satisfied that it wasn't until our investigator asked Ms K for further information and evidence as to the source of the funds they're saying they've lost that Ms K provided sufficient evidence in relation to the source of £47,277's worth of the funds in question. In other words, the funds in Ms K's savings account that were paid towards the two scams. I, therefore, agree that Barclays should refund 50% of that amount.

Having looked at the review Barclays did, the terms and conditions applicable to Ms K's accounts and Barclays' obligations, I agree that Barclays did nothing wrong when it suspended and then closed Ms K's accounts. So, I agree that this part of Ms K's complaint shouldn't be upheld.

Miss K has made a separate complaint about her credit card which I'm not going to deal with here. This complaint relates solely to her current account and her savings account.

## **Putting things right**

Barclays should refund 50% of the losses Ms K has made to the extent that she's evidenced the source of the funds. In this case, that means refunding 50% of the £47,277 that came from Ms K's savings account that was paid towards the two scams. Barclays should pay interest on these refunds from the date of payment to the date of settlement using the rate of interest applicable to Ms K's savings account at the time.

## **My final decision**

My final decision is that I'm upholding this complaint and require Barclays Bank UK PLC:

- to refund 50% of the £47,277 that came from Ms K's savings account and was paid towards the two scams; and
- to pay interest on these refunds from the date of payment to the date of settlement using the rate of interest applicable to Ms K's savings account at the time,

in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 9 March 2024.

Nicolas Atkinson  
**Ombudsman**