

The complaint

Mr R is unhappy that Barclays Bank UK PLC allowed fraud to take place on his account and with the service he received from them surrounding this.

What happened

On 3 October 2023, a fraudster went into a Barclays branch with fake identity documents pretending to be Mr R. The fraudster was able to gain access to Mr R's account and, over the next two days, made transfers from Mr R's account totalling in excess of £100,000.

Mr R contacted Barclays on 4 October 2023, having noticed the unauthorised transfers from his account. Barclays raised a fraud claim for Mr R and applied a temporary reimbursement for the withdrawn amount in his account, pending the result of the claim.

Barclays also told Mr R that they would contact him about his claim within five working days. But Barclays didn't keep Mr R updated about his claim as they'd said they would, and this meant that Mr R had to call Barclays on several occasions chasing updates about what was happening with his claim. Mr R wasn't happy about this, so he raised a complaint.

On 3 November 2023, Barclays completed their review of Mr R's claim and agreed that he'd been the victim of fraud and that therefore the temporary reimbursement of the fraudulently withdrawn money would remain as a permanent reimbursement in Mr R's account. Barclays also responded to Mr R's complaint and acknowledged that they hadn't updated Mr R about his fraud claim as they'd said they would. Barclays apologised to Mr R for this and credited £80 to his account as compensation for any trouble and upset he might have incurred. Mr R wasn't satisfied with Barclays response, so he referred his complaint to this service.

One of our investigators looked at this complaint and said that Barclays should pay a further £200 compensation to Mr R for what had happened. Barclays accepted the recommendation put forward by our investigator. But Mr R felt that a higher amount of compensation should be merited here, so the matter was escalated to an ombudsman for 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.

Mr R is unhappy that Barclays allowed the fraudster to gain access to his account and withdraw his money in the first instance. But it's clear that what happened here was a sophisticated instance of fraud, with the fraudster having fake ID documents that enabled them to pass Barclays' security protocols and convince Barclays staff that they were Mr R.

Also, because Barclays upheld the fraud claim and reimbursed the fraudulently withdrawn money back to Mr R's account, there hasn't been any tangible financial impact on Mr R. And this is especially the case given that Barclays applied a temporary reimbursement of the withdrawn amount to Mr R's account as soon as he raised the fraud claim with them.

However, it must be acknowledged that Mr R was told that the temporary reimbursement he was being credited with was a temporary reimbursement, pending the result of Barclays' fraud review. And I can understand how Mr R would have been worried about whether Barclays would uphold his claim and about the prospect of potentially losing over £100,000 if Barclays didn't find in his favour. As such, I can understand why Mr R would have wanted Barclays to update him about the ongoing status of his claim, as they'd said that they would.

But Mr R did call Barclays himself on several occasions, notably on 13, 18, 25, and 27 October, and that he was told on those calls that his fraud claim was still under review and that because of this there wasn't anything further to tell him. And this is exactly the same information that Mr R would have received from Barclays, had Barclays called him.

I don't think it's unreasonable – given the sophistication of the fraud and the amount of money involved – that Barclays fraud review took as long as it did here. And while I appreciate that Mr R was worried during the time the review was ongoing, I feel that this is an unfortunate – but not an unreasonable or unfair – consequence of the fact that a detailed fraud review had to be undertaken.

In their response to Mr R's complaint, Barclays apologised to Mr R for not updating him about his ongoing fraud claim as they'd said they would and paid £80 to Mr R as compensation for the trouble and upset he'd incurred as a result. And Barclays have also now agreed to pay a further £200 compensation to Mr R for his trouble and upset, following the view of this complaint put forwards by our investigator. This seems fair to me, given what I've explained above – which is that, unfortunately, Mr R was always going to be worried about the fraud claim while it was ongoing, given the stakes, regardless of whether Mr R called Barclays or whether Barclays had called him.

As such, while I will be upholding this complaint in Mr R's favour, I'll only be doing so to instruct Barclays to pay the further £200 to Mr R which they've already agreed to pay. And I won't be issuing any further or alternative instructions to Barclays beyond that. I realise this won't be the outcome Mr R was wanting, but I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Barclays must pay a further £200 to Mr R, taking the total compensation amount to £280.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 April 2024.

Paul Cooper
Ombudsman