

## **The complaint**

Mr D has complained Barclays Bank UK PLC did nothing to intervene as he was making a number of payments to someone who was blackmailing him.

## **What happened**

Mr D worked at a local club. In 2021 someone intimidated and threatened Mr D into sending him regular payments. This occurred again in 2022 when the third party was looking for increasing amounts of money from Mr D. Mr D ended up taking out a loan and emptying his savings and paying this individual over £22,000.

What happened eventually came out and Mr D, helped by his workplace, went to the local police and the third party was arrested.

Mr D asked Barclays to refund him. Barclays told Mr D this was a civil case where the police were involved. They didn't feel the payments he made amounted to a scam.

Mr D brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. She regretted what had happened to Mr D but wouldn't ask Barclays to repay him.

Mr D felt this was unfair. He's asked an ombudsman to review his complaint.

I completed a provisional decision on 8 February 2024. I believed that Barclays could have done more at the time Mr D was being threatened and made to send payments to the third person, but overall I wasn't convinced this would have made any difference to what happened. I confirmed though that Barclays should remove interest to be charged from the loan Mr D took out.

Barclays agreed to do this.

Mr D appreciated this offer but after consideration he continued to believe intervention by Barclays would have stopped him doing what he did and therefore he asked Barclays to write off the loan in full.

I now have all I need to complete my 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.

Having done so, I've reached the same outcome as I did in my provisional decision. I'll explain why below covering Mr D's arguments..

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light

of the evidence.

Mr D was a victim of a horrible crime and has lost a considerable amount of money including some that he borrowed. He has my sympathy about what he has gone through.

I'm not intending to go into any detail about what happened as this was contained within our investigator's view and isn't in dispute. I don't believe there's anything to be gained by going through this again, but I can reassure Mr D I appreciate the seriousness of what he's endured.

I note what Barclays has said about what happened and how these payments don't fall within the industry code to reimburse victims of Automated Push Payments scams. I agree with them. Mr D was being blackmailed and threatened by someone but always knew what was going on – so, for example, he never believed he was going to get something in return which could have made this a scam. I know Mr D believes Barclays are obliged to refund him but the facts don't support this.

There's no dispute that Mr D made and authorised all of the payments. Mr D was scared enough into paying this third party what he'd asked. This included Mr D taking out a loan with Barclays and using this money, along with savings in another account, to hopefully pay off the third party.

I'm satisfied the transactions were authorised under the Payment Services Regulations 2017

It's generally accepted that Barclays has an obligation to follow Mr D's instructions. So in the first instance Mr D is presumed liable for his loss. But that's not the end of the story.

Barclays should be in a position to identify unusual transactions or other signs that might indicate that its customers were at risk of fraud. And it's certainly agreed that Mr D was a victim of a crime.

I've noted the detail within our investigator's view of 17 November 2023. This laid out the transactions Mr D had made to the third party from late October 2021 to December 2022.

I agree with her view that Barclays should have done more. On 29 November 2021 alone, Mr D made 10 payments to the third party. This followed five payments made on 24 and 25 November. There is no logic in someone making ten payments to the same person when one payment could have been made instead. I'd have expected Barclays to identify this unusual payment behaviour and ask Mr D what was going on.

However I can't be sure what would have happened if Barclays did intervene. Overall I still don't believe this would have made any difference to what happened. I know Mr D feels differently now and argues that this would have had an impact but at the time he was being threatened. He was scared of the consequences of not paying this individual. Any of the questions Barclays could have asked Mr D – whether a third party was asking him to make payments and whether he knew that person – could easily have been countered by Mr D in, I believe, a convincing manner. I don't believe Barclays would then have blocked his account or stopped him from making any payments as they'd have believed Mr D had a realistic basis for making those payments.

Later in 2022 as the individual was able to locate Mr D and threatened him to make more payments, I think Barclays should again have noticed. I know they say they wouldn't have picked this up as Mr D had a history of making payments to this person, but the payments seriously escalated in value and followed a loan application and savings being paid into Mr D's account.

However again I'm not convinced Mr D would have been able to confirm what was going on in a sufficient way for Barclays to stop payments and help him. I know from his own testimony that things didn't come to a head until early 2023 and he'd been embarrassed and upset before saying anything about what had happened even to his family as they went through a serious family illness and then bereavement.

So I remain of the view that I'm not going to ask Barclays to refund Mr D's lost money to him.

I note Mr D took out a loan with Barclays to help fund the payments he made. I don't believe there were issues with Mr D being granted the loan, but I was in touch with Barclays and suggested they agree that Mr D only needed to repay the capital on the loan based on what he'd gone through and his status as a vulnerable consumer whilst being the victim of a crime. They initially responded that as this was a civil case they didn't feel the need to do anything further.

I'm aware that Mr D has asked us to request Barclays to cancel the loan in full but as I don't believe there was anything wrong with the loan application, or anything that would cause concern to Barclays, I won't be doing this. In any case Barclays will be aware there's no obligation on them to do this – and as I raised this issue informally before completing my provisional decision and got rebuffed it would be extremely unlikely of them to agree to go even further.

### **Putting things right**

I do believe there are grounds under our fair and reasonable remit – based on Mr D's personal circumstances and vulnerabilities – for Barclays to remove all interest from the loan and rework Mr D's payments so that they go towards the capital amount only. Mr D is still losing a considerable amount of money so I don't believe this would be unfair as Barclays continues to have the capital repaid.

Barclays has agreed to do this if Mr D accepts this. They have mentioned this may take some time for them to complete as they will need to cancel the original loan and set up anew without interest being included.

### **My final decision**

For the reasons given, my final decision is to instruct Barclays Bank UK PLC to:

- Cancel Mr D's original loan agreement; and
- Grant Mr D a new loan for the capital alone ensuring that all payments already made pay off the capital only.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 30 April 2024.

Sandra Quinn  
**Ombudsman**