

The complaint

Ms F complains about Barclays Bank UK PLC

She says that Barclays didn't do enough to protect her when she became the victim of a scam and would like Barclays to refund her the money she has lost.

What happened

The details of what happened are well known to both parties here, so I won't repeat them at length here but will summarise the main points.

In late January 2021, Ms F signed up to a dating site called 'Scouts'. She was targeted by an individual (referred to herein as the scammer) who persuaded her that they were in a relationship, and he was going to travel to the UK to join her.

Unfortunately, Ms F was taken in by the scammer, and believed the elaborate lies that he told her – she believed that the relationship was genuine and that they were going to begin a new life together.

The scammer convinced Ms F to begin sending him money via a money transfer service for a variety of different reasons, which Ms F obliged with from various bank accounts including her account with Barclays.

Ms F made the following payments as part of the scam.

Date	Payee	Payment type	Amount
23/03/2021	Moneygram	Card	£993.99
24/03/2021	Moneygram	Card	£933.99
30/03/2021	Moneygram	Card	£558.99
13/09/2021	Ria Financial	Card	£3,120
14/09/2021	Ria Financial	Card	£3,120
20/09/2021	World Remit	Card	£765.99
23/09/2021	World Remit	Transfer	£871.99*
24/09/2021	World Remit	Transfer	£200
27/09/2021	World Remit	Transfer	£6.99
05/10/2021	World Remit	Transfer	£362.99*
17/11/2021	World Remit	Transfer	£279.99*
25/11/2021	World Remit	Transfer	£191.99*
01/12/2021	World Remit	Transfer	£68.99*
09/12/2021	World Remit	Transfer	£1,021.99*
10/12/2021	World Remit	Transfer	£512.99*
20/12/2021	World Remit	Transfer	£21.99
21/12/2021	World Remit	Transfer	£437.99*
29/12/2021	World Remit	Transfer	£32.99
31/12/2021	World Remit	Transfer	£88.99*
05/01/2022	World Remit	Transfer	£101.99*

06/01/2022	World Remit	Transfer	£347.99*
31/01/2022	World Remit	Transfer	£342.99*
07/02/2022	World Remit	Transfer	£237.99*
17/02/2022	World Remit	Transfer	£36.99
01/03/2022	Ria Financial	Card	£595
03/03/2022	Ria Financial	Card	£108.90
04/04/2022	Ria Financial	Card	£28.90
04/04/2022	Ria Financial	Card	£93.90
24/04/2022	Ria Financial	Card	£170.90
		Total	£15,658.39

*These transactions were initially reported to Barclays who agreed to refund Ms F 50% of the transactions.

Ms F complained about some of the payments to Barclays. It upheld her complaint in part and agreed to pay her 50% of the payments she reported to it under the Contingent Reimbursement Model (CRM) code, and a further £100 to compensate her for distress and inconvenience.

Unhappy, Ms F brought her complaint to this Service, and also raised further payments that she made as part of the scam.

Our Investigator looked into things but thought that Barclays had already done enough. They also said that it was unclear if the CRM code applied to the payments Barclays had refunded to Ms F.

Ms F asked for a final decision, so the complaint has been 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.

Having done so, I've decided not to uphold this complaint for broadly the same reasons as our investigator. I know this will be very disappointing for Ms F, so I'll explain why.

It isn't in dispute here that Ms F has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

In broad terms, the starting position at law is that banks, electronic money institutions (EMI's) and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's account.

Ms F authorised the payments in question here – so even though she was tricked into doing so and didn't intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Barclays should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking the above into account, I consider Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This leads me to consider if Barclays acted fairly and reasonably in its dealings with Ms F when she authorised the payments from her account, and whether it could and should have done more before processing the payments.

I should start by saying that Barclays has already refunded Ms F 50% of some of the payments she made to World Remit under the CRM code. It did so because it didn't think that it did enough to protect Ms F from the scam under the code, but also felt that Ms F also didn't do enough to protect herself either.

However, I am not persuaded that the CRM code does apply – as it explicitly excludes payments made to an account held in a consumer's own name – and it appears that Ms F made these transfers to an account she held with World Remit. So, I think that Barclays has already done more than enough here.

Barclays is also correct in that the CRM code doesn't apply to card payments – so it didn't need to consider payments made by card under the CRM code.

I've gone on to consider the payments Ms F made to see if at any point Barclays should have had concerns about what Ms F was doing – and got in touch with her about what was going on. The purpose being to help protect Ms F from financial harm and to uncover a potential scam or fraud.

Having done so, and taken into account genuine payments Ms F made, I am not persuaded that Barclays needed to get in touch with her about the payments she was making as I don't think they were sufficiently unusual or suspicious enough for Barclays to have had any concerns – especially when taking into account her usual spending pattern.

I also think that even if Barclays *had* got in touch with her to check that all was well, Ms F would have continued to make the payments. I say this because Ms F had been warned by family and friends not to make the payments as they thought she was being scammed – and Ms F was presented with several red-flags from the scammer, she continued to send funds while also being suspicious of their motives and reasons for payment. Ms F also continued to make payments to the scammer from her other accounts after she had reported she fell

victim to a scam to her other bank – and after she had brought her complaints to this Service.

I understand that Ms F says that she didn't say Barclays was at fault – but that as it is making billions in capital, she should be protected by the bank – and that it is its responsibility to reimburse her if anything should happen regardless of if it's the banks' fault or not.

But I am afraid that Ms F is mistaken here – I can only direct a financial business to reimburse an individual if I think that it is at fault, or that an omission it made caused the loss. And as I've explained above, I don't think that Barclays did anything wrong here and has already done enough to compensate Ms F.

I am very sorry for the situation Ms F now finds herself in – I know that she has been taken advantage of by a cruel and manipulative scammer. But the loss she has suffered is the fault of the scammer themselves, not Barclays.

My final decision

I don't uphold this complaint, and I don't direct Barclays Bank UK PLC to do anything more than it has already done.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 25 June 2024.

Claire Pugh
Ombudsman