

The complaint

Miss F complains that Barclays Bank UK PLC won't refund her, in full, for money she lost when she was the victim a romance scam.

Miss F is represented by a firm that I'll refer to as 'C'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In February 2022 Miss F was contacted by an individual – whom I'll refer to as the scammer – on a social media platform. Miss F started messaging the scammer in a general conversation before it later turned romantic. The scammer, who claimed to be in the military and based abroad, then sought financial assistance from Miss F. This was to pay for fees to allow him to leave a warzone and medical bills for his mum, with Miss F under the belief the money would later be returned.

Miss F realised she'd been scammed when the scammer kept on requesting funds that had become financially unattainable for her. She notified Barclays that she'd been scammed in September 2023. While Barclays were carrying out their investigation, C complained to Barclays - on Miss F's behalf - on 13 October 2023 saying the payments were made as part of a scam. In short, they said:

- Miss F's loss was £108,200 across seven payments.
- Barclays failed in their duty of care to protect Miss F from the scam by allowing these payments to be processed without carrying out an impactful intervention.
- The payments ought to have been identified by Barclays as unusual, with Miss F questioned about them and given appropriate warnings about the risks.
- Barclays didn't identify major 'red flags' and missed an opportunity to deliver effective warnings to prevent the scam.
- Had Barclays done this, Miss F wouldn't have proceeded with the payments.
- Miss F had a reasonable basis to believe she wasn't being scammed. This, amongst other reasons, included:
 - Her speaking with the scammer daily, using video call with the scammer in their military uniform (possibly using deep fake software).
 - The scammer seemed very genuine, kind and charismatic. They shared photos and he even sent flowers to Miss F.
 - The scammer would pull on Miss F's heart strings by referring to his mother's ill-health or his father's death.
 - The scammer didn't ask for money in the first seven months of messaging.
- Barclays should fully refund Miss F, pay 8% simple interest and £300 compensation.

Barclays issued their fraud investigation outcome on 1 November 2023. They agreed shared responsibility with Miss F for the scam taking place – saying they could've done more to advise Miss F around the risks of scams, whereas Miss F didn't take reasonable steps to check the payments were genuine. And so, they refunded £38,150.50 to Miss F (which they

considered to be 50% of her loss).

The matter was referred to the Financial Ombudsman and considered by one of our Investigators. He noted that one of the payments C had included in their complaint submission, for £36,000, went to another account held in Miss F's name. And that, as part of their investigation, while Barclays hadn't included this payment or all credits Miss F had received from the scam, they'd also included transactions to a crypto exchange.

But even though there were differences between the parties in respect of the transactions being disputed and Miss F's ultimate loss, our Investigator thought it was reasonable for there to be a 50% reduction in the amount refunded due to Miss F's role in what happened. This was because Miss F wasn't honest about her relationship with the scammer when questioned by Barclays in respect of a £50,000 payment. And had she been, Barclays would've had a reasonable opportunity to uncover the scam. As Barclays had already refunded more than he would've expected based on his own calculation of loss, our Investigator didn't think Barclays had to do anything further.

C disagreed and, in summary, added:

- It is clearly apparent that Miss F was undertaking very unusual payment activity, and that it bore the hallmarks of a romance scam. The size of the £50,000 payment should've given rise for concern and further investigation – particularly given the clear indicators the payments were destined to be part of a scam.
- The Banking Protocol should've been enacted by the bank.
- Barclays didn't intervene effectively as the question(s) was generic and basic. The members of staff should've followed this up and flagged this unusual and suspicious activity with senior management. Had the bank stopped this payment, Miss F wouldn't have sent any further funds.
- Barclays were met by a customer that had been coached and allegedly 'lied'. This is a common '*modus operandi*' of criminals, but it's unclear how Barclays' processes dealt with this potential risk.
- It appears that Miss F was dealt with under Barclays' business as usual process, rather than any value-based or risk-based exception review. They believe Barclays should've routed Miss F to a specialist team that included a management review. It is very clear that Miss F's pattern of activity during the scam was ultra-rare and ultra-high risk.
- Miss F's behaviour was far from normal, and her payment should've been one of the highest scoring fraud alert(s) that Barclays' fraud detection system generated during this period. And they question whether Miss F's activity was reviewed '*in totality*' by Barclays' fraud team?
- Miss F was clearly under the spell of the scammers, and it is ultimately Barclays (under the Banking Protocol) to say '*no*' in extreme cases like this. The payment should've been reviewed under the high value checklist with a thorough intervention undertaken.

The matter has been passed to me to decide.

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 sorry Miss F has been the victim of a scam. But while I appreciate this has had a significant impact on her, I think Barclays has acted fairly by refunding the amount they

have. And so, for the reasons I'll explain, I don't think they need to take any further action.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. Here, it isn't disputed that Miss F knowingly made the payments and so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of the account(s), Barclays are expected to process Miss F's payments, and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Barclays to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Here, Barclays has already accepted they could've done more to protect Miss F from the scam. Because of this, they decided to refund what they considered 50% of her loss – which includes two payments (of £800 and £500) made prior to them speaking with Miss F in relation to a £50,000 transaction. Given Barclays' admission in this respect, I don't intend to focus on that further here – and so, I won't be addressing all the points put forward by C. Instead, I will focus on whether it is fair and reasonable for the amount refunded to Miss F to be reduced due to contributory negligence on her part.

When considering whether a consumer has contributed to their own loss, I must consider whether the consumer's actions showed a lack of care that goes beyond what we would expect from a reasonable person. I must also be satisfied that the lack of care directly contributed to the individual's losses.

Here, I consider that there were sophisticated aspects to this scam – including, for example, the scammer's use of video call (with the possibility of deep fake software used) and the duration of communication before money was requested. But while I appreciate Miss F may have very much believed she was in a legitimate relationship; I can't ignore that when Barclays intervened on the third scam payment – of £50,000 – she wasn't entirely honest or accurate about the nature of her relationship with the payee. This is because she told Barclays that she'd met her partner on holiday, they'd been together two years, they travelled to meet each other and that she was moving abroad so they could live together.

Barclays' records also show a scam conversation was undertaken, which Miss F understood, and that she wished to proceed with the transfer. While it's unclear what the scam conversation included, the answers Miss F provided to Barclays' questioning about the surrounding circumstances of the purpose of the payment were clearly inaccurate. I appreciate this might have been due to coaching by the scammer. But I don't think I can fairly hold Barclays responsible for that – and I think the answers Miss F provided would've sounded very plausible to Barclays, thereby reassuring them she wasn't at a high risk of financial harm from fraud.

In any event, the failure of Miss F not to disclose the true surrounding circumstances of the purpose of the payment impeded Barclays' ability to identify she was falling victim to a scam. Had Miss F explained that she was sending the money to a person who contacted her through an unsolicited social media message, whom she'd never met in person, and that she was making the payment so he could leave a warzone, this would've allowed Barclays to immediately identify that it was likely being made as part of a scam. Unfortunately, Miss F withheld this information and prevented Barclays from taking such protective action.

Furthermore, I also think it's relevant to note that Miss F was sending a significant sum of money – which I understand came from a house sale – to someone she hadn't met in person with only a verbal reassurance that it would be returned. Although I understand scammers

can be very convincing to their victims, I think it would've been reasonable for Miss F to have considered the legitimacy of sending such a significant amount of money without any contractual agreement in place.

For these reasons, I've concluded, on balance, that it would be fair to reduce the amount Barclays pays Miss F because of her role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

In this case, I'm satisfied the £36,000 payment that C included in their complaint submission was transferred to another account held in Miss F's own name. I also haven't seen anything to show these funds were then lost from that account directly to the scammer. Instead, from Miss F's bank statements, it seems it was later transferred back to fund the subsequent scam payments. It follows that I don't consider this transaction to be part of Miss F's overall loss.

This reduces the loss claimed for in the complaint to £72,200. Barclays' own investigation, which included transactions to a crypto exchange, considered Miss F's overall loss to be £76,301. Both parties however haven't included some returns that Miss F received as part of the scam. Considering all of this, I'm satisfied that the amount Barclays has refunded is greater than I would've expected (when considering the 50% reduction for contributory negligence). I therefore think Barclays has acted fairly in putting things right in the circumstances.

I've considered whether, on being alerted to the scam, Barclays could reasonably have done anything more to recover Miss F's losses, but I don't think they could. They've shown that they contacted the beneficiary bank(s), and it was confirmed that no funds remained.

I have a great deal of sympathy for Miss F and the loss she's suffered. But while I haven't made this decision lightly, I don't think Barclays need to refund her any more than they already have. And so, I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 8 April 2025.

Daniel O'Dell
Ombudsman