

The complaint

Mr A complains that Barclays Bank UK PLC has declined to reimburse payments that he made in relation to a scam.

What happened

Mr A says he spoke to someone who appears to have been impersonating a well-known travel agency. He continued to correspond with them and agreed to three payments for some flights. Mr A says he became concerned when he didn't receive an email confirmation and that he has since been told by the genuine merchant that they don't have a record of his booking reference.

Mr A has disputed three payments made in early July 2023 which add up to around £1,200. Barclays initially reimbursed Mr A but re-debited the funds on the basis that it had concluded the payments were authorised and that a chargeback wouldn't be successful. However, Barclays later made a partial refund to Mr A on the basis that it thought it ought to have intervened in the second payment – it paid him 50% of payments two and three, plus interest on this amount and £30 compensation. Barclays has since said it doesn't think it should have done this.

When Mr A referred the matter to our service, the investigator didn't uphold the complaint. In summary, they didn't think Barclays had done anything wrong in allowing the payments and so it didn't need to make a further award in the circumstances.

Mr A didn't agree, he said he'd reported the matter quickly and provided the information Barclays asked for. He thinks confusion on this point is the reason Barclays re-debited his account and has questioned why it has provided a partial refund. Mr A says Barclays has been negligent here.

So, the matter has been passed to me for a decision by an ombudsman.

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, while I accept Mr A has unfortunately been the victim of a scam, I don't think Barclays needs to do anything more in the circumstances. I'll explain why.

Although there was some confusion when Barclays initially investigated the matter, it is now common ground that Mr A authorised the disputed payments. So, the starting point in law is that Barclays can hold Mr A liable for them.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Barclays ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I've reviewed Mr A's account statements and the payments he made as part of the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded Barclays ought to have found any of the payments suspicious to the point that it ought to have made enquiries of Mr A before processing them.

As the payments were made using a debit card, I've considered whether Barclays should have raised a chargeback, and whether it would likely have been successful. Here, the payments were made to a genuine travel agency, and it is a common feature of the scam Mr A has described that the goods or services paid for are provided, but to a third party rather than the payer. So, on balance, I don't think it's likely that Mr A could have recovered his funds in this way.

I understand that Barclays initially credited Mr A's account and then re-debited the payments upon declining Mr A's claim. He's raised concern about this being linked to Barclays misplacing a form or letter that he gave it containing information relating to his claim. However, I have considered what Mr A says happened alongside the evidence provided to our service and for the reasons explained above, I don't think Mr A was entitled to a refund. As I've said above, Barclays initially thought Mr A was saying he hadn't authorised some of the payments and so it investigated on this basis – it isn't unusual for firms to provide a temporary refund of payments while it investigates such claims.

I note that Barclays has since reimbursed Mr A part of his loss i.e. 50% of payments two and three plus interest and compensation. It has since said that it doesn't think this was the right decision, but it hasn't suggested it intends on re-debiting those payments.

For the reasons set out above, I don't think Barclays needs to do anything further in the circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 January 2025.

Stephanie Mitchell
Ombudsman