

The complaint

Mr D has complained that Barclays Bank UK PLC (“Barclays”) did not action a bank transfer when he instructed it to.

What happened

On 28 February 2024 Mr D attempted to make a large payment online to pay for a car he’d won in an auction. As the payment attempts had been unsuccessful, Mr D called Barclays and was able to make a payment of £15,000 via telephone banking. As this met the daily limit for that payment method, Mr D then logged into the Barclays app and made two payments of £1,000 each to the same payee.

On the following day Mr D attempted to send a further £15,000 to the same person, but Barclays fraud department flagged the payment as suspicious. Unhappy that the payment was blocked, Mr D complained to Barclays.

On 1 March 2024, Mr D attempted to send £15,000 to the same person again, but as before, the payment was flagged as being suspicious by Barclays’ fraud detection systems. Following various calls and discussions with Barclays, the payment was released. Again, as the telephone banking payment limit had been reached, Mr D then sent a further £250 via Barclays’ app.

Barclays issued its final response to Mr D’s complaint on 14 March 2024. Barclays acknowledged that Mr D was unhappy about the type of questions that its fraud department asked him. Barclays acknowledged that the reason behind buying the car was due to Mr D’s wife sadly suffering from a severe medical condition and he’d purchased the car as it had sentimental value and Mr D hoped it would assist in his wife’s recovery. Barclays acknowledged that Mr D had spent a long time on the phone to get the payments processed. Mr D says that the delay in making the payment led to him incurring extra fees.

In response, Barclays explained that the payments had been blocked as they were deemed to be suspicious. Barclays said that it had a duty of care to ask questions about suspicious payments to maintain a high level of security and to prevent fraud. Barclays accepted that blocking the payment did cause Mr D inconvenience and so offered to pay him £150 to apologise for this.

Unhappy with Barclays’ response, Mr D referred his complaint to this service. One of our investigators assessed the complaint and they concluded that Barclays’ offer was reasonable.

Mr D didn’t accept the investigator’s findings, so the matter was referred for an ombudsman’s 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 reviewed everything, I'm currently minded to reach the same outcome as the investigator, for broadly the same reasons. I will explain why.

Firstly, I would like to acknowledge that this matter was clearly deeply frustrating for Mr D. He'd won a car in an auction, and was trying to pay the seller of the car, but was being prevented from doing so by Barclays.

The starting point with such circumstances is that Barclays is obliged to process payments authorised by its customers. However, Barclays is also obliged to monitor payments being made from accounts. Where payments look to be suspicious or unusual, it is required to take additional steps, or make additional checks, before processing such payments. This is to protect its customers, where possible, from being the victim of fraud and scams. Unfortunately, due to a sharp increase in such fraud and scams in recent years, such interventions are becoming increasingly common and necessary.

Of course, a balance needs to be struck here. But due to the payments that had been made prior to the one that was blocked, and given the circumstances of the payment, I don't think it was unreasonable that Barclays intervened. Overall, I think it had reasonable grounds in which to block the payment and obtain further information from Mr D, before allowing the payment in question to be made.

When Mr D spoke to Barclays, he was asked a number of questions. For example, he was asked why he had to pay an individual rather than paying the auction house. I understand Mr D sent Barclays an email from the seller. But given that Barclays was suspicious of the payment, I don't think contact from the seller alone would've necessarily resolved those concerns. I say that particularly as there are known scams that involve the victim sending large payments in the belief that they are buying a vehicle, when it turns out not to be the case. Although, I think Barclays could've perhaps contacted the auction house directly, as suggested by Mr D, to get a quick explanation of whether that was typical for an auction of a vehicle through that company.

During the fraud check, I understand that Mr D was concerned about some of the questions asked - for example he was asked questions about the colour of the car. But again, I think those questions were Barclays' attempt to determine whether the payment was for a genuine vehicle purchase. I say this particularly because in some scams, the victim is coached by the scammers to answer questions from the bank in a particular way to circumvent such checks. So, as I'm sure Mr D can appreciate, it can sometimes be very difficult for a bank to establish whether a payment is linked to a scam or not.

So overall, I really do understand Mr D's frustration, and I think the fraud checks could've been expedited somewhat. But I am satisfied that Barclays was acting in Mr D's best interests by blocking the payment. And so I can't reasonably say that Barclays was acting unfairly or unreasonably in blocking the payment when it did.

That being said, it seems all sides concerned accept that Mr D did have to make a number of phone calls, and spent a fair amount of time to get the block lifted. I appreciate that this was particularly distressing for Mr D as he was having to care for his wife at the time, and it sounds like Mr D was also suffering from poor health at the time too.

Having considered everything, I do think that the £150 offered by Barclays does fairly reflect the added distress and inconvenience that was caused to Mr D in having to spend so long in trying to get matters resolved. I say that bearing in mind that there is usually an element of inconvenience caused to a customer – that this service wouldn't necessarily award compensation for - whenever a bank stops a payment if it suspects its linked to a scam or fraud.

I note that Mr D has said that he incurred other costs. For example, Mr D said that he'd arranged for the car to be transported, as he didn't have the time to pick it up himself. I have considered whether it would be fair to hold Barclays responsible for this. But I don't think it is.

I say this because Mr D says that he wasn't able to pick up the car as he couldn't find a carer to look after his wife. But he only had 7 days to pick up the car before he would be charged storage fees. So I can't rule out the possibility that this was a cost Mr D would've likely incurred anyway, even if things had gone to plan and Mr D had been able to make the payment on 29 February 2024, rather than the 1 March 2024.

Finally, I note that Mr D has said that Barclays' block on the payment caused him to suffer from ill health. I'm sorry to hear about Mr D's circumstances in the days after the payment was allowed to go through. However, I can't reasonably say that Barclays should be held responsible for him unfortunately suffering from ill health. Afterall, I don't know if he would've suffered from the same condition anyway, even if the payment hadn't been blocked.

Putting things right

Because of the reasons given above, I require Barclays Bank UK PLC to pay Mr D £150 for the added distress and inconvenience that was caused to Mr D, as a result of the fraud check that Barclays carried out on his payment.

My final decision

Because of the reasons given above, I uphold this complaint and require Barclays Bank UK PLC to do what I have said above to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 October 2024.

Thomas White
Ombudsman