

Complaint

Mrs S is unhappy that Barclays Bank UK PLC didn't do more to help her when she told it she'd fallen victim to fraud.

Background

The background to this case is well known to the parties, so I do not intend to set it out in full here. What follows is a brief summary of what happened.

Mrs S fell victim to fraud when an individual took advantage of her. She says that this individual blackmailed her. She has significant mental health issues and a learning disability, which made her particularly vulnerable at the time. Furthermore, the disputed payments came during an episode of poor physical health during which she tells me she wasn't physically able to visit an ATM to make cash withdrawals.

Nonetheless, the fraud resulted in disputed transactions on her account, including ATM withdrawals and other payments. When Mrs S realised she had been defrauded, she reported the matter to Barclays, explaining how she could not have carried out the ATM withdrawals.

Mrs S says that Barclays initially informed her she would receive a refund but later changed its position. She was also confused when Barclays split her complaint into two – one for the ATM withdrawals and one for the bank transfers. She experienced other customer service difficulties when making her claim which she says she found stressful. Barclays has since agreed to refund the disputed payments as a gesture of goodwill.

However, Mrs S is unhappy about the way things were handled. She raised concerns about Barclays failing to contact her within expected timelines and about the closure of her account, which left her unclear on how to access funds that remained in it. In addition to refunding her losses from the fraud, Barclays paid her £70 in recognition of the distress and inconvenience it had caused her.

Mrs S wasn't happy with that and so she referred her complaint to this service. It was looked at by an Investigator who didn't think £70 was enough. He recommended it pay a further £200. Barclays disagreed with the Investigator's view and so the complaint has been passed to me to consider and come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account.

The first question I have to consider, therefore, is whether the payments were authorised by Mrs S. It's clear from the evidence on file that Barclays didn't find it straightforward to investigate the allegations Mrs S made and she clearly found the process difficult too. As a result, the substantive investigation carried out by the bank was understandably quite limited.

The disputed payments here were a mix of faster payments and ATM withdrawals. Mrs S says she couldn't have made the disputed ATM withdrawals because of her physical health condition at the time. In addition to that, she hasn't said that she voluntarily gave her card to the individual who made the withdrawals from her account. It's difficult for me to know for sure, but on the balance of probabilities, I think it's likely that Mrs S didn't authorise the ATM withdrawals. And while Barclays paid a refund of all of the disputed payments as a gesture of goodwill, I think it's likely that I'd have asked it to refund at least a portion of them for that reason.

As a result, under DISP 3.7.2R, I am permitted to make an award for distress and inconvenience if I think it would be fair and reasonable. Barclays has already accepted that it could've done some things better here. That's why it has already paid Mrs S £70. I need to consider whether that represents fair compensation in the circumstances. I accept that Barclays has made efforts to support Mrs S and that, because of her complex needs, that hasn't always been straightforward. While Barclays' offer of £70 acknowledges some of the distress and inconvenience caused, I do not consider it to be sufficient in the circumstances of this case. Barclays' errors and delays exacerbated the impact of an already distressing situation for Mrs S.

Barclays' notes show that there were delays in processing Mrs S's case, which fell short of its own service standards. Given what Barclays knew about Mrs S's mental health and learning disability, these delays would have caused her additional and avoidable stress. I consider that these shortcomings had a disproportionate impact on Mrs S due to her vulnerabilities.

Barclays treated the disputed ATM withdrawals and the bank transfers separately. While this may have been necessary for operational reasons, it caused confusion for Mrs S. The correspondence issued by Barclays did not adequately explain why these transactions were being handled as separate issues. I think it's unlikely Mrs S would intuitively understand the distinction between an APP scam and unauthorised transactions. Given her personal circumstances, I believe Barclays could've provided clearer explanations and greater support throughout the process.

Overall, I agree with the Investigator's recommendation that Barclays should pay an additional £200 to Mrs S, bringing the total compensation for distress and inconvenience to £270.

Final decision

For the reasons I've explained, I uphold this complaint. If Mrs S accepts my final decision, Barclays Bank UK PLC needs to pay Mrs S £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 31 December 2024.

James Kimmitt
Ombudsman