

The complaint

Mr N is unhappy that Barclays Bank UK PLC (“Barclays”) won’t refund him the money he lost after he fell victim to an Authorised Push Payment (“APP”) scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

Mr N was browsing a well-known social media platform when he came across some flights advertised on its marketplace. Mr N provided some information to express his interest and shortly after was contacted, by what he thought was a legitimate online travel agency.

Believing everything to be genuine, on 6 January 2024, Mr N made a payment for £447.57 by providing his card details over the phone. Mr N was provided with e-tickets and information about the flights. But unknown to him at the time Mr N was dealing with fraudsters. Mr N realised he’d been scammed after he contacted the genuine airline, who told him they had no tickets in his name and that this was a fake advertisement.

Mr N contacted Barclays. It attempted to recover the money Mr N had sent by raising a chargeback, but it was defended and unsuccessful, due to the merchant being an electrical firm, rather than a travel agent. Barclays were also provided evidence of the merchant issuing an invoice for an electrical item, along with proof of shipping. Although I can’t know for sure, it seems that what happened here is the fraudster directed Mr N to make a payment to a legitimate merchant, who then supplied the fraudster with goods that Mr N had paid for.

On 8 February 2024 Barclays wrote to Mr N asking for further information about the payment he made, the letter said that if Mr N didn’t reply within 7 days, it wouldn’t be able to continue with Mr N’s dispute and the case would be closed. Mr N said, as he was away, he didn’t receive the letter until 25 March 2024 and responded on the same day, but by this point Barclays had closed the case.

Unhappy, Mr N brought his complaint to this service. One of our Investigators looked into things and didn’t think the complaint should be upheld. In summary, she didn’t think that Barclays had done anything wrong in not identifying the payment was connected to a scam. Alongside this she didn’t think it was unreasonable for Barclays to close the chargeback claim when it did, as she didn’t think it would have had any reasonable prospect of success.

Mr N didn’t agree with our Investigator’s view. As agreement hasn’t been reached the complaint has been passed to me for a final 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 done so, I agree with the outcome our Investigator reached and broadly for the same reasons. I’ll explain why.

I'm very sorry to hear about what's happened to Mr N. It's always an upsetting experience to lose money to a scam, and I can understand why he wants to recoup the money he has sadly lost.

Under the relevant regulations, namely the Payment Services Regulations 2017 (PSR 2017), Mr N is responsible for transactions he has authorised. It's not in dispute that Mr N gave the fraudster his card details, understanding that in doing so, a payment would be leaving his account. So, I'm satisfied that Mr N consented to the payment taking place (albeit he was tricked into doing so) and the starting point is that he is liable.

But as a matter of good industry practice, where there are grounds to suspect that the payment instruction might be likely to result in financial detriment to a customer through fraud or scam, then I'd expect a bank to delay executing the instruction until the bank can reassure itself that such harm will not result.

With this in mind I've considered whether the payment Mr N made was one Barclays should have had particular concern about. In doing so, I'm mindful that a Bank has a difficult balance to strike in fulfilling their obligation to process payments in line with customer's instruction against identifying, and intervening in, potentially fraudulent payments.

Having reviewed Mr N's account activity in the months leading up to the scam, I don't consider this payment, for £447.57, would have appeared as particularly unusual or suspicious when compared to how the account typically ran. It wasn't unusual for Mr N to make transactions using his debit card and there are other transactions for not dissimilar amounts during this time. So, I'm satisfied that this payment would not have appeared to Barclays as likely to be fraudulent or part of a scam.

This means I haven't found there are grounds for me to conclude Barclays ought to have delayed fulfilling its primary obligation to make the payment in accordance with Mr N's instructions. It follows I don't think Barclays caused Mr N's loss in failing to intervene when he made the payment.

Recovery of funds

I've next considered whether Barclays ought to have done more to recover Mr N's funds once he reported the scam.

A chargeback is a voluntary scheme run by card scheme providers – in this case, Visa. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the scheme – which are set by Visa – and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid. A chargeback isn't a consumer right – and it might be reasonable for a firm to not attempt a chargeback where there is limited prospect of success.

Barclays has explained that Mr N didn't provide it with the evidence it needed in time. I've seen that Barclays did send a communication to Mr N asking for the information, which also made it clear that unless the information was received within a week, it wouldn't be able to continue with the case and it would be closed.

It's unfortunate that Mr N was unable to provide what was required in time. But in any event, and importantly here, I don't think that has made any difference. I say that as it's evident here that the card payment Mr N made went to a legitimate merchant and evidence has been provided that shows the merchant most likely provided the goods paid for - in this case,

rather than being made for its intended purpose of flights, the fraudsters have used Mr N's money for the purchase of an electrical item. Mr N's dispute is mainly with the fraudster. But as the card payment was made to a legitimate merchant and not the fraudster, Barclays can't raise a claim against the fraudster directly, but rather, only the legitimate merchant Mr N has paid. And as Mr N authorised these payments himself, I'm afraid there are no grounds to suggest that a chargeback dispute would have been successful, there was little prospect of success.

I'm mindful Mr N has indicated he would like this service to look further into the 'third parties' and who they were. By that I assume Mr N means the fraudsters, or the merchant. In any case, that's not the role of this service – our role here is to look into the actions or inactions of Barclays in relation to the payment Mr N made. Any investigation into any parties who may have instigated the fraud is a matter for the relevant law enforcement agencies.

I am sorry to disappoint Mr N, he was the victim of a cruel scam, and he has my sympathy that he has lost money in this way. However, I can't fairly say Barclays should have prevented the loss and therefore it isn't liable to reimburse Mr N.

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 N to accept or reject my decision before 17 July 2025.

Stephen Wise
Ombudsman