

## **The complaint**

Miss F complains that Barclays Bank UK PLC won't reimburse her after she fell victim to an investment scam.

## **What happened**

Miss F has explained that she saw an advertisement posted by a local community interest company. The advertisement asked what work industry people are interested in. Miss F responded advising she was interested in work in fashion, and someone responded advising they'd be in touch about a job.

Miss F was contacted by an individual, claiming he can help Miss F invest by purchasing wallets. Miss F was told she would need to make a payment of £500 and would receive returns of £2,500. Miss F thought this sounded like a good opportunity and agreed. Miss F was given payee details to send funds to via various online money remittance/wallet services, each wallet belonging to a different payee. It is my understanding that Miss F was aware that the individual she was speaking to resided in another country, and believed that he would collect the money she had sent from people in his home country. Unfortunately, unknown to Miss F at the time, the individual she was speaking to was in fact a fraudster and there was no genuine investment opportunity.

Overall, over the course of around one and a half months, Miss F made 17 card payments to the scam, varying in value between £50 and £1,000, with an overall loss of £6,002.99. Miss F said she realised she had fallen victim to a scam when the sums of money she was asked for kept changing and she was not seeing any returns. At this point Miss F contacted Barclays to raise a scam claim.

Barclays considered Miss F's claim and reimbursed her 50% of her losses. It said the payments Miss F made were out of character, based on her typical account use, and it didn't do enough to warn her of potential scam risks. However, it also thought Miss F ought to have done more to verify and research who she was paying and so considered she should be held equally liable for her losses. Barclays did however offer Miss F a further £50 in compensation for its failings in identifying these higher risk payments sufficiently.

Miss F disagreed and so referred her complaint to our service. An investigator considered Miss F's complaint but didn't uphold it. She thought that Miss F hadn't done enough to verify the job opportunity she was offered, the returns she was told she would receive, or the overseas payments she was having to make. She therefore thought Barclays had acted reasonably by refunding 50% of payments, while holding Miss F jointly liable.

Miss F didn't agree with the investigator's view, so the complaint has been referred 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.

Under regulations, and in accordance with general banking terms and conditions, banks and building societies should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even if they were duped into doing so, for example as part of a scam.

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

In Miss F's case, Barclays has already accepted it ought to have done more to protect her from financial harm from fraud when she made these payments – and has offered to refund 50% of her losses to acknowledge this. I therefore won't cover Barclays' liabilities in detail here except to confirm that I agree Barclays could, and should, have done more to identify that Miss F's payments were out of character.

I've therefore gone on to consider the point here that remains in dispute – whether Barclays should be held fully responsible for Miss F's losses, or whether Miss F should also bear some responsibility.

I understand Miss F's rationale, that if Barclays ought to have intervened and therefore potentially stopped the payments, it should be liable to fully reimburse her those payments. However, I also have to take into account what the law says about contributory negligence, as well as what's fair and reasonable in the circumstances of this complaint.

In this case, Miss F has posted a response to a post on a community-based internet page, and has then been contacted via instant messaging by someone she doesn't know. Miss F has been unable to retrieve all conversations with the fraudster for me to see how the scam unfolded, but it seems Miss F was aware the fraudster was overseas - and they appear to have openly told her that her money would also go overseas. Miss F has stated that the fraudster's address 'no longer worked' so she was told to send money to other individuals in his home country, which he would then collect. I think this setup ought to have appeared suspicious to Miss F. It's not clear if the fraudster is referring to a home address or wallet address in this conversation, but either way I think it ought to have raised alarm bells that the fraudster couldn't receive money personally (and yet could obtain it from other third parties). From Miss F's testimony it's also not clear how this all linked to Miss F purchasing wallets and why she would be paying several different individuals, rather than a business directly with whom she was investing.

Miss F also hasn't been clear on how quickly the fraudster told her she would receive £2,500 in return for her £500 investment, but as this is five times her initial investment, I think this level of profit ought to have concerned Miss F as being simply too good to be true – and in fact in some screenshots provided between Miss F and the fraudster, it seems he tells her she'll receive \$20,000 per payment made. In addition, Miss F eventually sent far more than this initial £500 request, without having received any returns.

Overall I think there were sufficient red flags here that reasonably ought to have led Miss F to have acted far more cautiously than she did. So, I think Miss F did have a role to play in what happened and I think that it's therefore fair that the amount Barclays reimburses her should be reduced by 50% to reflect that role.

*Recovery*

I've thought about whether Barclays could've done more to recover the funds after Miss F reported the fraud. Given Miss F made the payments by card, I've considered whether Miss F could have raised a successful chargeback claim. However, as the payments went to genuine money transfer services, that transferred funds as requested, I don't think a chargeback claim would have had any reasonable prospects of success – the firm who received funds having completed the service requested.

### *Trouble and upset*

I've considered whether the trouble and upset payment Barclays made to Miss F is fair to cover additional inconvenience caused, and I think it is. Barclays has already compensated Miss F for its failings in taking further steps to uncover the scam by awarding a 50% refund on payments made, and so I won't be asking it to pay anything further than it's already offered as further apology for this error.

### **My final decision**

My final decision is that I don't uphold Miss F's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 18 November 2024.

Kirsty Upton  
**Ombudsman**