

The complaint

Miss Z is complaining about Barclays Bank UK PLC because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss Z fell victim to a cruel job scam. After searching online, she responded to an advert offering online work that essentially required her to pay for access to tasks for which she'd be paid on completion. In March 2024, using her debit card, Miss Z paid the following amounts to the scammers via a money transfer service:

No.	Date	Amount £
1	20 March	1,002.99
2	21 March	502.99
3	21 March	1,267.99
4	21 March	1,275.99
5	21 March	1,275.99
6	21 March	991.99
7	22 March	1,207.99

Miss Z reported the fraud to Barclays on 25 March 2024. After completing an investigation, it said it should have intervened to question the payments before processing payment 4 and accepted the scam could have been stopped at that point. To put things right it refunded 50% of payments 4 to 7 – the 50% deduction in recognition of Miss Z's contribution to her losses – with 8% interest and a further £50 in recognition of any distress and inconvenience caused.

Our investigator didn't recommend the complaint be upheld. He felt Barclays' had already taken appropriate steps to put things right.

Miss Z didn't accept the investigator's assessment. She maintains that she was entitled to believe the job was genuine, pointing to the fact that she did receive a small amount of money back at the start. She therefore believes she should receive at least a full refund of payments 4 to 7.

The complaint has now been referred to me for review.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any

regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In broad terms, the starting position at law is that a bank such as Barclays is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

In this case, there's no dispute that Miss Z authorised the above payments.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Barclays also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Barclays acted fairly and reasonably in its dealings with Miss Z.

Payments 1 to 3

I must take into account that many similar payment instructions received by Barclays will be entirely legitimate. Having considered what it knew about the payments at the time it received the payment instructions, I'm not persuaded it ought to have been concerned about them. The amounts were relatively low and not sufficiently out of character with Miss Z's normal account activity that it should have suspected a scam could be taking place. So, I can't say Barclays was at fault for processing these payments in line with Miss Z's instructions.

Payments 4 to 7

Barclays accepted that it should have begun questioning Miss Z when it received the instruction for payment 4 and I think that's a reasonable conclusion. If Barclays had asked about that payment, I've no reason to think the scam wouldn't have been uncovered at that point and that Miss Z wouldn't have proceeded to make it.

If the scam had been uncovered and payment 4 stopped, I think it follows that payments 5 to 7 would have been prevented as well. So I'm pleased to see Barclays paid compensation based on a refund of these four payments.

Recovery of funds

I've also looked at whether Barclays could or should have done more to try and recover Miss Z's losses once it was aware that the payments were the result of fraud.

I understand Miss Z first notified Barclays of the fraud on 25 March 2024, three days after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and

I don't think anything that Barclays could have done differently would likely to have led to those payments being recovered successfully after this period of time.

Should Miss Z bear any responsibility for her losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

I've considered the evidence carefully. While I accept Miss Z genuinely believed these payments were being made in connection with a legitimate employment opportunity, no doubt helped by the fact she did receive a small amount back at the outset, I'm not persuaded that belief continued to be reasonable throughout the course of the scam.

From what I've seen, there was no formalisation of the arrangement between Miss Z and the employer, for example a written contract. In addition to that, the arrangement was very different to the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around. Also, I think the returns being promised by the scammer should have seemed too good to be true for only 20 to 40 minutes work per day.

In the circumstances, I think Miss Z should have proceeded only with great caution. If she had carried out further research, for example online searches, I think she'd have quickly discovered her circumstances were similar to those commonly associated with many job scams. Overall, I think it's fair and reasonable for Barclays to make a 50% deduction from the redress payable.

Additional compensation

Understandably, I think it's also clear that this whole episode has caused Miss Z considerable distress and inconvenience. I'm conscious that most of this should be attributed to the actions of the scammers, but Barclays appears to have accepted that its failure to question the payments would only have compounded the situation.

The amount to award for a customer's distress and inconvenience can be difficult to assess as the same situation can impact different consumers in different ways. But in the circumstances of this case, I think Barclays offer to pay additional compensation of £50 is fair.

In conclusion

I recognise Miss Z has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a disappointment but, for the reasons I've explained, I think Barclays has already taken appropriate steps to put things right and I won't be telling it to make any further refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 3 April 2025.

James Biles
Ombudsman