

The complaint

Mr H and Mrs N complain that Barclays Bank UK PLC didn't do enough to protect their funds when Mrs N fell victim to an investment scam.

What happened

In mid-2022 Mrs N fell victim to an investment scam. In 2023, Mrs N was contacted by someone claiming she was owed a £20,000 refund. Mrs N downloaded screensharing software and allowed the scammer access to her accounts. She also shared personal information with the scammer. They explained she needed to pay different fees and taxes to access her money. As a result of this scam Mr H and Mrs N lost nearly £60,000.

Money was moved from Mr H's sole account into his joint account with Mrs N and then out to the scam. Mr H complained that Barclays shouldn't have allowed this money to be moved and he said that Barclays should've called him at this time. As he wasn't aware of the scam or what was going on, he said this would've unravelled it. And he and Mrs N complained that Barclays didn't do enough to protect the funds in the joint account when money was being moved out to two other firms as part of this scam. Barclays didn't uphold their complaints.

Mr H and Mrs N brought their complaints to our Service. Our Investigator didn't uphold the complaints as he said he didn't think Barclays needed to contact Mr H about the transfers. And he didn't think Barclays could've unravelled the scam. Mr H and Mrs N disagreed and asked for an ombudsman to review their complaints.

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.

I will first deal with the issues relating to Mr H's sole account, then move to the concerns raised around the joint account.

There were initially concerns raised that Mrs N was able to access Mr H's money through her own account. We have shared the evidence Barclays has provided in relation to Mr H's sole account with all parties. This shows that someone logged into Mr H's online banking using his membership number and the correct passcode. This shows the money wasn't moved by Mrs N using her own log-in – and this hasn't been disputed. At this time, the remaining complaint relating to Mr H's sole account relates to Barclays not contacting him to discuss his money being moved.

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

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their 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 interest of its customers and to follow good industry practice to keep customer's 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.

I've considered whether Barclays should've had concerns about the money being moved from Mr H's ISA account and so called him to discuss this, as he's suggested. But I don't agree it should have. As above, it's expected to act on his instructions – and I can't see these transactions were indicative of financial harm.

The money was being transferred from Mr H's ISA account to his joint account with Mrs N, which was also with Barclays. So the money was still within Mr H's and Barclays control at this time. Mr H's secure log-in details were used to move the money, so this indicated to Barclays he wanted to move this money and share the funds with Mrs N. And I don't consider this a suspicious behaviour – many people do genuinely move their savings to a current account to then spend. While I accept a fairly large sum was moved, I'm not persuaded Barclays ought to have found any of the payments so suspicious, such that it ought to have made enquiries of Mr H before processing them. So I don't uphold this complaint point.

Moving to the scam and the payments Mrs N completed, I accept that this activity did look out of character and warranted an intervention by Barclays. Money was moving out to accounts with firms Mrs N hadn't paid before and in large sums, indicating a potential risk of financial harm. But Barclays did have concerns about what Mrs N was doing and so blocked her account and made further enquiries with her in January 2023. It sent her into branch twice to confirm it was her making the payments and also asked her to show information for the new account in branch.

The call recordings we hold indicate that Mrs N had been subject to social engineering and was being coached extensively by the scammer. This coaching seemingly included what she should do in response to her payments being stopped and how she should answer questions posed about the payments she was making. She misleads the advisors in both calls about why she's opened the account she's trying to pay and why she's making payments to it.

The advisor on the second call asks Mrs N who told her to open the new account, but Mrs N is adamant no one did, which isn't true. And this advisor tells Mrs N they think she is being scammed, but despite her knowing she was not being honest with Barclays, Mrs N says she isn't. Mrs N also mentions the previous investment scam she was a victim of in the call and the information we hold indicates this was also a scam that involved her being asked to pay extra money to get her money back. So she was aware of the existence of this scam tactic, but despite this, she followed the scammer's instructions and actively misled her bank. Mrs N also doesn't disclose at any stage to Barclays she's involved in investing or cryptocurrency, so it didn't hold this information to act on.

As the advisor is concerned, Mrs N is sent into branch a second time. There is limited information on what happened in branch, but we know the account is then unblocked, so she did persuade staff she wasn't being scammed. Considering the extensive coaching here and what Mrs N was already aware of, I'm not persuaded the branch staff could've unravelled this scam.

Looking at the subsequent payments made, I think Barclays ought to have contacted Mrs N again to discuss payments she was making in February 2023. But, where something didn't

happen I think should have, I'm required to decide this case based on the balance of probabilities; that is, what I find is more likely than not to have happened.

I've carefully considered all of the available evidence, but having done so, it is difficult to say that another phone call with Mrs N or another branch visit would've unravelled this scam and prevented the loss. I think it's most likely she would've continued reverting to the scammer on how to answer any questions and they would likely have coached her to do so in such a way as to avoid alerting Barclays to what was really happening. So Barclays couldn't have prevented Mrs N's losses with any interventions in this case.

Whilst Mrs N has undoubtedly been the victim of a cruel scam, and both Mr H and Mrs N have lost out as a result of this, I can only uphold their complaint if I'm satisfied a failing by Barclays made a material difference to what happened. For the reasons given, I'm not persuaded Barclays could've reasonably prevented Mr H and Mrs N's losses here.

My final decision

For the reasons set out above, I don't uphold Mr H and Mrs N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs N to accept or reject my decision before 20 February 2025.

Amy Osborne
Ombudsman