

The complaint

Ms R complains that Barclays Bank UK PLC, trading as Barclaycard, won't refund money she lost when she was a victim of a scam.

Ms R is being represented by a firm I'll refer to as 'IG'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2021 Ms R was contacted by a person – that we now know to be a scammer – on social media. As their conversation developed, the scammer told Ms R that they had inheritance tax to pay and asked if she would loan them the money which they assured would be repaid upon the sale of a property. Ms R initially refused but the scammer then suggested, as an alternative, that she invest in the property and become a shareholder by paying the taxes. Ms R sent funds to the scammer, but they continued to ask for more for various reasons – including threatening that she'd lose everything invested so far if she didn't.

The scam occurred over about a two-year period. During this time, Ms R sent about £30,000 – with payments made to several legitimate merchants. This included sending payments to an online money remittance provider (which I'll refer to as 'P') as well as, as I understand, purchasing gift cards at merchants ('A' and 'C'). Ms R realised she'd been scammed when she found out that photos she'd received from the scammer were in fact of another person (whom she contacted and received confirmation the photos had been stolen, and the genuine person hadn't been in contact with her). Upon confronting the scammer, they confessed but continued to try and get more money from her.

IG complaint to Barclaycard, on Ms R's behalf, in October 2023. They said Barclaycard failed in their duty of care to Ms R by not exercising reasonable skill and care with these transactions, and by not following industry best practice to keep their client's account safe. They wanted Barclaycard to reimburse Ms R her loss.

Barclaycard reviewed Ms R's account activity for the period in question, but they didn't think the transactions were suspicious, unusual or should've been viewed as high risk. And so, they were unable to uphold Ms R's complaint as they hadn't made any errors when protecting her account. Barclaycard did however, as gesture of goodwill, refund about £6,500 which had been charged to Ms R's account in interest since the disputed activity began. They also suspended interest for three months to allow Ms R the opportunity to make payments to reduce the balance further. Barclaycard also explained that there wasn't a valid section 75 claim under the consumer credit act for these disputed payments and so couldn't pursue it.

The complaint was referred to the Financial Ombudsman, but our Investigator didn't think Barclaycard had to do anything further. He wasn't persuaded that Ms R's loss to the scam had been evidenced sufficiently. But even if it had been, he didn't think Barclaycard would be responsible for it. This was because he didn't consider the payment activity was unusual or

suspicious in appearance to Barclaycard – thereby prompting them to intervene before processing the payments. Nor did he think Barclaycard could've recovered the loss upon being notified of the scam, as any chargeback or section 75 claim would've likely been unsuccessful.

IG didn't agree with our Investigator and asked for Ms R's complaint to be referred to an Ombudsman.

Ms R provided further evidence of the scam to the Financial Ombudsman, which included screenshots of her conversation with the scammer. She also said the disputed payment activity was totally out of character for her – as she hadn't sent payments to P before.

Another Investigator considered the additional information. She said that, while the evidence of Ms R's conversation with the scammer is incomplete and doesn't correspond with some of the disputed payment activity, she didn't think Barclaycard would have seen the payments as suspicious – as they weren't excessively high in value and they were spread over a long period of time.

The matter has been passed to me to decide.

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'm sorry Ms R has lost a significant amount of money and so, I don't underestimate the impact this had had. I therefore understand why Ms R would do everything she can to try and recover it. But I must consider if Barclaycard are responsible for Ms R's loss. Having done so, and while I know this won't be the outcome Ms R is hoping for, I don't think they are. I therefore don't think Barclaycard have acted unfairly by not refunding the payments. And I think they've acted reasonably by refunding interest applied to Ms R's account and suspending interest for three months. I'll explain why.

Before I do, I'd like to say at the outset that if there is a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Barclaycard are responsible for Ms R's loss.

In broad terms, the starting position in law is that a payment service provider (PSP) is expected to process payments that their customer authorises them to make. It isn't disputed that Ms R knowingly made the payments from her Barclaycard account – albeit under the direction and guidance of the scammer. And so, I'm satisfied she authorised them. Therefore, under the terms of her account, Barclaycard are expected to process Ms R's payments and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Barclaycard to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Ms R to Barclaycard (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that PSPs process high volumes of transactions

each day. And that there is a balance for Barclaycard to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for PSPs to carry out additional checks before processing every payment.

Here, while not an insignificant amount, the payments were of a relatively low value – with the majority under £1,000. The payments also varied in value, which would've given the appearance of normal account usage – rather than, for example, the payments increasing incrementally in value which can be a potential indicator of fraud. Furthermore, the payments were made to legitimate and well-known merchants – and not unusual or suspicious payees that would've prompted Barclaycard to have concerns about the payment destination.

At which point, I understand Ms R says that she hadn't made payments to P before – and so, it was unusual account activity for her. While P may have been a new payee, I don't think this - in itself - would've given Barclaycard enough reason to suspect Ms R was making the payments for anything other than genuine purposes. This is because it's common for customers to make payments to new payees at times. And, as I've said, P is a well-known legitimate online money remittance provider. So, I don't think this would've prompted Barclaycard to suspect anything untoward. Furthermore, the subsequent payments to P would've become 'normalised' for Ms R as being typical account usage.

I've also given consideration to the frequency of the disputed payments. But here, the payments were spread across a two-year period. And so, they weren't made in rapid succession, which can be a potential indicator of fraud. Because of this, I don't think the payments were so unusual or suspicious whereby I would've expected Barclaycard to have considered there was a heightened risk of financial harm.

As I've said, there is a balance for Barclaycard to find between questioning transactions and allowing customers to use their account without unreasonable friction. And here, I don't think the payment activity had the typical traits of fraud or a scam. It follows that, while there are circumstances where it might be appropriate for Barclaycard to take additional steps or make additional checks before processing a payment, for the above reasons, I think it was reasonable for Barclaycard to assume the payments here were being made for legitimate purposes. And so, I think it was reasonable for Barclaycard to process the payments upon receiving Ms R's instruction(s).

I've also considered whether, on being alerted to the scam, Barclaycard could reasonably have done anything to recover Ms R's losses, but I don't think they could. This is because any chargeback or section 75 claim had no reasonable prospects of success in this situation – with Ms R having received the service from P, A and C that she paid for.

While I have a great deal of sympathy for Ms R, as I appreciate she is the innocent victim of a scam, I cannot fairly direct Barclaycard to refund her the disputed payments. And I think they acted reasonably in the circumstances by refunding the interest applied to Mr R's account for the relevant period and suspending it for a further three months. If Ms R remains in financial difficulty or is struggling to make the repayments to her credit card, she should contact Barclaycard to see how they can support her further.

For the above reasons, I think Barclaycard have acted fairly and so I'm not going to tell them to do anything further.

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 Ms R to accept or reject my decision before 21 October 2025.

Daniel O'Dell
Ombudsman