

## **The complaint**

Mr E complains on behalf of his business 'E'.

He says that he fell victim to a scam, and that E has lost money as a result. He thinks that Barclays could have prevented the loss, and would like it to refund the money to E.

## **What happened**

Mr E has signed up to a number of different mail lists for lease option housing, which is the industry his business E operates in.

He was contacted by an individual who said that they had come across his details and worked for a company I will refer to as 'I'. The individual explained that they had a potential investment opportunity in a property located in West London.

Mr E confirmed that E may be interested in the opportunity and was told that to register his interest E would need to pay £1,000, which Mr E did on 5 November 2018.

The individual confirmed receipt of the funds, and sent some forms for Mr E to complete on behalf of E. After completing and returning these forms, Mr E was instructed to pay a further £4,000 on 7 November 2018 to secure the lease.

However, the individual then began to make excuses for why payments were not being received – initially these seemed plausible, and Mr E had encountered delays like this previously, however, in December 2018 and January 2019 Mr E became frustrated with what was happening and demanded a refund. The individual then cut contact with Mr E, and he realised he had been scammed.

Mr E spent some time dwelling over the scam but eventually made a complaint to Barclays about what had happened with the help of a third-party.

Mr E and his third-party said that Barclays should have intervened with the payments he was making, and it could have prevented the loss to E. But Barclays didn't uphold the complaint.

Mr E and the third-party then brought the complaint to this Service. Our Investigator looked into things, but didn't think that Barclays had done anything wrong.

A final decision was requested, so the complaint has been passed to me.

## **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 have decided not to uphold this complaint. I know this will be disappointing for Mr E, so I'll explain why.

It isn't in dispute here that Mr E has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) 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.

But, this isn't the end of the story. Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable in November 2018 that Barclays should:

- Have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;

In this case, I need to decide whether Barclays acted fairly and reasonably in its dealings with Mr E when he authorised the two payments from E's account or whether it could and should have done more before processing them.

I understand that Mr E's representatives say that the payments made from E's account should have alerted Barclays to the possibility that not all was well – especially the second payment that was much higher than E's usual account activity. It also says that this was to a new payee, and that as the payment was made by faster payment, it indicates that the payment was made with urgency.

But I'm afraid I don't agree. Faster payments have been used for some time to facilitate payments between UK bank accounts in a timely manner. I don't find this method in itself unusual or suspicious. And while the amount of the second payment was larger than usual, I don't think that it was so unusual or suspicious that it could not be seen as a normal one-off payment, consistent with normal use of a business account.

So, I don't think that there was anything that should have alerted Barclays that E was at risk of financial harm, and I don't think it needed to become involved before allowing the payment to debit E's account.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 12 June 2025.

Claire Pugh  
**Ombudsman**