

The complaint

Ms T complains that Barclays Bank UK PLC failed to take appropriate action to prevent her from losing money when she says she fell victim to an authorised push payment investment scam.

What happened

Ms T is represented in her complaint by a firm of solicitors but for ease, I will continue to refer to Ms T throughout my decision.

Ms T says that a trusted individual who she met through a training course, persuaded her to invest in a business. Ms T opened an account with a peer-to-peer currency exchange business I will refer to as C. She deposited money into the currency account before transferring it to the business offering the investment.

Below is a list of the relevant transactions:

Date	Type of transaction	Amount
9 May 2022	Faster payment to a currency exchange account	£1,000
16 May 2022	Faster payment to a currency exchange account	£1,000
24 May 2022	Faster payment to a currency exchange account	£1,000
6 June 2022	Faster payment to a currency exchange account	£1,000
10 June 2022	Faster payment to a currency exchange account	£1,000

Our investigator didn't uphold Ms T's complaint. He didn't think the payments Ms T made were unusual or suspicious considering the normal activity on her account with Barclays. Our investigator said that Ms T had transferred just under £970 from her account in January 2022, £750 in February 2022 and £2,000 in April 2022. So, he didn't think the disputed payments appeared unusual when compared to other payments Ms T had made.

Our investigator also thought that the dates and frequency of the payments did not make them appear unusual or indicative of fraud. He said he would not have expected Barclays' systems to prompt an intervention. Our investigator noted that Ms T didn't speak with staff at Barclays when making the payments so he could not see it had missed the opportunity to discuss the payments with Ms T.

Our investigator didn't think it would have made a difference if Barclays had contacted the receiving bank about the fraud. He said that Barclays could only have tried to recover the funds from Ms T's account and the funds had already been moved on to the business offering the investment. If Ms T had not forwarded the funds from her currency exchange

account, she would have had control and could have moved them where she chose.

Ms T disagreed with the investigation outcome. She thought our investigator had focussed more on the size of earlier payments to other parties. Ms T pointed out that the other similar sized payments she had made in the past were to legitimate payees, with a history of regular payments rather than to a new payee – C – which she had not interacted with before. Ms T thought that Barclays should have contacted her on adding the new payee and that it therefore had missed several opportunities to provide effective warnings.

Our investigator appreciated Ms T's position but thought that the sizes of the transactions were in line with her normal account activity and were made on different dates at weekly intervals. So, it didn't change his view not to uphold her complaint.

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.

In deciding what's fair and reasonable in all the circumstances of this complaint, I am required to consider relevant law, regulations, rules, and good industry practice.

The Contingent Reimbursement Model Code doesn't apply in this case because Ms T made the payments to an account in her own name.

Ms T doesn't dispute that she authorised the disputed payments from her Barclays' account. So, the starting position is that Barclays should follow instructions given by its' customer to make a legitimate payment.

There are however some situations where we believe that businesses, taking into account relevant rules, codes, and best practice standards, shouldn't have accepted 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 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.

I need to decide whether Barclays acted fairly and reasonably toward Ms T when she made the payment requests or whether it should have done more than it did.

Having considered Ms T's account activity before she made the payments to C, I agree with our investigator that the disputed transactions weren't unusual or out of character, so I would not have expected Barclays to flag them or ask Ms T for further information about them. When considering Ms T's normal activity, I haven't included transfers between her own accounts held with Barclays.

I take Ms T's point that we are focussing on the value of the payments, rather than the fact she made them to a first time payee, but the disputed payments were made to an account held in her own name with a legitimate currency exchange business. And Ms T's account was left in credit each time. The amounts were fairly modest - £1,000 each time and Ms T made the majority of the payments at weekly or even fortnightly intervals.

Although banks have an obligation to act in their customers' best interests, they can't reasonably be involved in every transaction as this would lead to significant disruption to

legitimate payments. So, there is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

To Barclays the transactions appeared to be genuinely authorised payments. There was no reason why they would not have appeared genuine, so I don't think Barclays acted unreasonably by processing the payments without making further enquiries.

Ms T has raised concerns that Barclays failed to provide sufficient warnings about the payments but as I don't find it should have intervened in any of the transactions or suspected that she was the potential victim of financial harm, I can't conclude this was a failing. I also note that when Ms T made the payments to C, Barclays presented her with an online investment or cryptocurrency scam warning, so I can't say that Barclays gave no warnings about the payments.

I have then thought about whether Barclays should have tried to recover the money after Ms T reported the fraud. As she moved the money first to an account in her own name and then onwards from there, I agree that there was no prospect of Barclays being able to recover any of the money. Particularly as Ms T made the payments in May and June 2022 but didn't raise her concerns about the transactions until later in 2023. I can see from Barclays' notes that when Ms T raised the investment scam concerns, it advised her to contact the investment business and Action Fraud. Overall, I think this was a fair response.

I appreciate that this is likely to be disappointing but for the reasons set out above, I don't consider Barclays can be held liable for any loss that Ms T sustained after making the payments to C. So, I don't instruct Barclays to refund any money or pay compensation to Ms T.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 20 February 2025.

Gemma Bowen
Ombudsman