

The complaint

Mr D has complained Barclays Bank UK PLC did nothing to intervene and stop payments he made which turned out to be part of a scam.

What happened

In 2023 Mr D was approached by a recruiter on social media. He was offered a job which entailed him carrying out numerous daily tasks for which he'd receive a commission.

He was impressed by the professionalism of the company and joined the community WhatsApp group. Although Mr D's account balance became negative pretty quickly, he was persuaded to add his own money to an account to increase his potential commission earnings.

This turned out to be a scam. This came to light after Mr D opened a new account (with an international transfer service I'll call W). He credited this account by making about 15 payments from his Barclays account between October and December 2023.

After Mr D realised this was a scam, he raised complaints against Barclays and W. Barclays told Mr D they had no liability as they'd followed his instructions and paid money to another account in his name.

Mr D brought his complaint to our service with the assistance of representatives.

Our investigator confirmed she wasn't going to ask Barclays to refund Mr D. She felt that at the stage Mr D's money had left Barclays, it was being paid to another account in Mr D's name. So there had been no loss at the time of the transfers. She noted Barclays had not reviewed these payments with Mr D – or stopped him from making these – as they believed the risk to be low.

Mr D has asked an ombudsman to review his complaint. His representatives have continued to argue that Barclays should not only have intervened but stopped the transactions Mr D was making.

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 outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Mr D was scammed and has lost an amount of money. He has my sympathy about what he has gone through.

There's no dispute that Mr D made and authorised the 15 payments totalling over £30,000 from his account with Barclays to another account in his name held at another regulated payment institution.

I'm therefore satisfied the disputed transactions were authorised under the Payment Services Regulations 2017

Our starting point is that banks are required to follow their customer's instructions. But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in 2023 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

However, I'm not satisfied that Barclays ought to have recognised that these payments carried a heightened risk of financial harm from fraud. I say this because all individual payments were for amounts under £5,000, and they were being made to another account in Mr D's name. Mr D stated on the reason he was making these transactions that he was making payments to another account in his own name.

The payments were made over a reasonable period rather than only being squashed into a two-week period. During the time Mr D was transferring funds to his account with W, he was also then making payments to other accounts – and receiving warnings related to those. I'm aware that Mr D took no note of those warnings.

It's also clear that Mr D only took limited steps to verify the recruiter. He was enticed into a get-rich-quick scheme, but I've seen nothing which suggests he took any steps to check who he was dealing with and why repetitive tasks should mean that he'd accumulate funds – particularly in the type of returns he thought would be forthcoming.

I appreciate Mr D received no specific warnings from Barclays but I'm not surprised by this based on the information he'd shared with them about the purpose of the payments.

It's also the case as all parties accept that the money Mr D sent from his Barclays account went to another account in his name. There was no loss at the time the money left Barclays.

Overall, I wouldn't have expected Barclays to do anything further.

I'm also conscious that Barclays appear to have done little once Mr D notified them of the scam. But realistically as by that stage Mr D had processed payments of more than £35,000 to third parties, there'd have been no chance of any funds remaining. I'm aware that W found this to be the case too.

I know how disappointed Mr D will be, but I won't be asking Barclays to refund him.

My final decision

For the reasons given, my final decision is not to uphold Mr D's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 May 2025.

Sandra Quinn
Ombudsman