

## The complaint

B, a limited company, is unhappy that Barclays Bank UK PLC hasn't reimbursed it after it was the victim of a scam.

## What happened

B has a business account with Barclays. In June 2023 Mr T, a director of B, was contacted by a partner in an accountancy firm B had employed a few months earlier to carry out general accountancy work. One of the directors of the firm, Mr N, offered Mr T an investment opportunity. He said Mr T could deposit B's money into a 'client account' which would earn an interest rate of 4.2% - which he said had increased to 4.5% shortly after.

Mr T says he was told he would have full access to and control of the money while it was in the account and B could name the account whatever he wanted. Mr T agreed to this, and Mr N sent a falsified bank statement he said showed the account had been opened in B's name. Mr T made the following transfers from B's Barclays account:

30 June 2023	£50,000
3 July 2023	£50,000
	£50,000
	£50,000
4 July 2023	£50,000
5 July 2023	£50,000
10 July 2023	£50,000
11 July 2023	£50,000
13 July 2023	£45,000
	£45,000

17 July 2023	£45,000
	£45,000
18 July 2023	£45,000
19 July 2023	£45,000

20 July 2023	£45,000
21 July 2023	£45,000
24 July 2023	£45,000
25 July 2023	£45,000
26 July 2023	£45,000
28 July 2023	£45,000
31 July 2023	£45,000
	£25,000
Total	£1,015,000

In early September 2023 Mr T discovered Mr N had passed away and contacted the accountancy firm. The firm had discovered that whilst Mr T had transferred money to an account with the firm, Mr N had sole control of this account and had moved the money on. The firm believed Mr N had misappropriated the funds.

On 1 September 2023 Mr T went into a Barclays branch to try and find out what had happened to the funds but was told Barclays couldn't help him. According to Barclays' records he was advised to contact the accountancy firm, or the receiving bank to try and find out more about where the funds were. Later that day Mr T called Barclays again and said B had been the victim of a scam.

Barclays looked into things but concluded the situation was a civil matter, as the funds had been transferred to a legitimate accountancy firm and it wasn't liable for reimbursing B for its loss.

Our investigator looked into things. They didn't agree the situation was a civil matter and were satisfied B had been the victim of a scam. But they didn't think Barclays had missed an opportunity to uncover the scam in this case so agreed it wasn't liable for B's loss. B didn't accept the investigator's findings so the complaint has been passed to me to make a decision.

### **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.

Like the investigator I don't accept this matter is a civil dispute as Barclays has suggested. Whilst the money was sent to a legitimate accountancy firm, which was still in operation at the time, it's clear there was no legitimate investment opportunity in this case. The money was transferred to an account one individual had control of. It appears there's been a criminal investigation into the individual involved as it appears he had defrauded numerous people of several million pounds.

The correspondence between B and Mr N shows that Mr N provided false information about a false account and interest rate. There doesn't appear to be any discussion or agreement that he would be moving the money on B's behalf. Overall, I'm satisfied Mr N tricked Mr T into sending him B's money as part of a scam, using the accountancy firm he was a director of to give legitimacy to his claims.

*Should Barclays have done more to prevent the payments being made*

It isn't in dispute that the payments were correctly authorised by B. And in broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Barclays should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before it processed a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I've considered very carefully if I think Barclays ought to have intervened in this case. It wasn't unusual for B to make regular, high value payments from its account as part of the regular operations of its business. It had also previously made a legitimate payment of around £50,000 to the account before the 'scam payments' started. So there was a precedent for sending large amounts, and sending them to this particular payee.

I have also thought the fact that repeated, high value transactions were sent to the accountancy firm and whether this pattern of payment ought to have concerned Barclays and prompted it to intervene. But overall I'm not persuaded this would've made a difference in this case.

Had Barclays stopped any of the payments B was making to prompt contact from B, I would've expected it to have asked B about the payments it was making. And based on the evidence provided I can't see any reason B wouldn't have explained what it's said it understood of the situation. A trusted accountant, that it had an existing relationship with, had offered the use of a client account with a better interest rate than the account B held with Barclays.

I don't think this likely would've seemed concerning to Barclays. B had a relationship with the firm it was sending money to. It doesn't seem particularly farfetched or unreasonable that an accountant might hold its client's money to make financially beneficial arrangements on behalf of its client. And the interest rate offered, whilst higher than average, wasn't so high I'd have expected it to have caused serious concern.

I would also explain that whilst Barclays does have an obligation to look out for signs of financial crime, its job is not to carry out extensive due diligence checks on behalf of its account holders, or to provide advice or opinion on the financial arrangements they might be entering into with a qualified financial professional such as an accountant. Overall I don't think there's anything Barclays likely would've discussed with B had it intervened that reasonably ought to have uncovered the scam.

B has said Barclays would've told it that the account it was paying was in a different name to B's limited company name this would've uncovered the scam for them. But I'm not persuaded by this.

Barclays has provided records from the payments which show that the name of the account holder paid by B was the name of the accountant, and this was input by B when the payments were made. It's also shown records that a confirmation of payee was received by B when it made the first payment and the account was added as a payee. This is the standard check that is made to confirm that the information input by the payer (B) matched the information the receiving bank has about the account name. And the account statements also show the account holder as the accountancy firm with the reference of B's company name.

I can also see that when B made the payments it input the accountants name as the account holder, and B's name as the reference. And it's not clear why it would put its own business name as the reference if it thought the account was already in its name. So it appears B was aware the account was in the accountancy firm's name before it made the first payment, and it didn't have any concerns about this. So I can't see any reason it would've had concerns about this if Barclays had also told B this.

But even if B hadn't already known the name the account was in, I don't think Barclays ought reasonably to have found it odd that B was paying into an account in its accountancy firm's name for the reasons given. It wouldn't have had further, more specific details about how a separate bank administers its customers' clients' accounts. I can't see any reason it reasonably ought to have found this unusual enough to have intervened or have contacted B about this.

*Did Barclays do what I would've expected in trying to retrieve the funds*

B informed Barclays that it thought it had been the victim of fraud on 1 September 2023 according to its records. Barclays should've immediately contacted the receiving bank to report the situation and to try and recall any funds that remained in the account. Barclays didn't do this until 19 days later, so it's caused a significant delay.

At the point Barclays contacted the receiving bank its response was that it was unable to return any funds. I can see the receiving account balance hadn't changed since 1 September 2023, so I can't see any reason this response would've been any different had Barclays contacted the receiving bank immediately as I think it ought to have done. Because of this, I don't think this delay has caused B a loss.

I can see B has been the victim of a sophisticated scam and I'm sorry it has. But I can't see that Barclays missed an opportunity to prevent it so I don't think it's liable for its loss.

**My final decision**

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 23 October 2025.

Faye Brownhill  
**Ombudsman**