

The complaint

C, a limited company, complains Barclays Bank UK PLC hasn't reimbursed it after it was the victim of a scam.

What happened

C has told our service:

- On 27 February 2023 it received an email from someone it thought was one of its regular suppliers advising that its bank details had changed and providing an invoice due to be paid. C was aware that invoice would be due soon so believed the invoice was credible. Unfortunately it was sent by a scammer who had intercepted emails between C and the supplier. C sent £20,000 to the scammers on 28 February 2023.
- C was contacted by the genuine supplier shortly after the payment was sent to ask when the invoice would be paid. C then realised it had been the victim of a scam and contacted Barclays to report this.
- C believes Barclays should've done more to check the payment was genuine and better protected it from fraud.

Barclays has told us:

- Its records show that when C reported it had been the victim of a scam on 9 March 2023 C said that the email it received from a scammer was around 3 March 2023 and a payment of £19,307.06 was sent to the scammer on that date.
- Barclays acted immediately in contacting the recipient's bank to try and recall the funds but unfortunately only a small amount of the money remained and could be returned.
- On 9 July 2023 Barclays received a complaint from a third party which said it was acting on C's behalf. The complaint referenced a different payment to the one previously raised as a disputed transaction. Barclays tried to contact C to seek authorisation to deal with the third party and clarification and evidence of the scam complained about but received no response. As such it felt unable to answer the complaint fully or look into things further.

Our investigator didn't uphold the complaint. C didn't accept this 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.

The payment of £20,000 made on 28 February 2023

There have been inconsistencies in this case. C has confirmed to our service that the payment it wishes to dispute is the payment of £20,000 it says was sent to scammers on 28 February 2023. But it hasn't explained why when it initially reported the scam it says it made a different payment to scammers. C hasn't said both payments were sent to scammers and they were sent to different accounts. We have asked C's representative about this, but it maintains the payment in dispute is the £20,000 payment made on 28 February 2023.

The payment of £20,000 was paid to the same account that all previous payments to the same supplier have been made - some of which C has confirmed were genuine past payments in its correspondence with our service. This payment wasn't made to the account detailed in the email C says came from a scammer, providing new account details to make payment to. C also made two separate payments to the supplier on 28 February 2023 to the same account, and has only since reported one of the payments as having been made to the scammer.

Based on the evidence I've seen, I don't think it's likely the payment of £20,000 made on 28 February 2023 was made to scammers. Because of this I don't think Barclays needed to take any action in preventing the payment or trying to recover it when C complained in July 2023.

It doesn't appear C has tried to deliberately mislead Barclays regarding the scam. It seems C has been the victim of an email intercept scam but there's been a misunderstanding when C's representative has raised a complaint on C's behalf about which payment formed part of the scam.

Should Barclays have done more to prevent the payment of £19,307.06

When C reported the scam to Barclays, it reported a payment of £19,307.06 was paid to scammers on 3 March 2023. It appears this payment was sent to the account C has said was provided by scammers. So I've considered whether Barclays should've done more to intervene when this payment was made.

It isn't in dispute in this case that C authorised the transaction in question. Whilst it did so because it was the victim of a scam, under the Payment Services Regulations (PSRs) and the terms and conditions of his account with Barclays, C is initially presumed liable for the loss, as they were payment requests C had made of its bank.

Taking into account the relevant law, regulator's guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I do expect Barclays to have been monitoring accounts to counter various risks, have systems in place to identify unusual transactions or other indicators that its customers were at risk of fraud; and in some situations, make additional checks before processing payments or declined them altogether, to protect customers from possible financial harm from fraud or scams.

I've thought about whether I think the payment C made to scammers (the £19,307.06 paid on 3 March 2023) ought to have seemed significantly unusual enough to Barclays that it ought to have intervened in this case. By which I mean should it have stopped the payment and contacted C to ask it more about what the payment was for and who it was to. But I don't think this payment would've appeared to be significantly unusual.

C is a business. It frequently makes high value transactions, and C itself has highlighted numerous occasions in the months leading up to this payment where it made payments of similar and higher amounts. So this payment was within the range of what would reasonably be considered normal use of the account. So I don't think it should've seemed unusual to Barclays or prompted intervention.

I've thought about whether Barclays ought to have been concerned the payment was to a new payee, but I don't think this fact alone is significantly unusual enough to warrant intervention. C has made two payments in the six months leading up to the scam of around £20,000 to new payees that aren't in dispute. And I think it's normal for business to make payments to new payees from time to time. Whilst Barclays does have obligations to protect its customers, it has to balance this with not unnecessarily preventing normal operation of an account.

The scammer's account was with a bank that wasn't required to have Confirmation of Payee (CoP) in place when the payment was made. And C says it doesn't recall receiving any information regarding the recipients account holder name not matching the details C had input. Barclays' records also suggest CoP was not supported at the time the payment was made. So it wouldn't have had any information suggesting the account holder name was incorrect and wasn't required to check this for C.

C believes Barclays ought to have recognised that the account holder name differed to the actual account holder as it had made many payments to different account in the account holders name previously. I don't agree. As I've outlined above, it appears CoP wasn't in place at the time the payment was made. Barclays wouldn't have had any more information than C – which already knew it was paying a different account in the same name to previous payments. And Barclays wasn't required to manually check every payment made by its customers against previous payments.

Overall I don't think Barclays has missed an opportunity to prevent C's loss in this case so I don't think it needs to reimburse it for this.

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

After the scam was reported by C on 9 March 2023 Barclays acted immediately in requesting a recall of the funds. It was able to retrieve around £22. It's unfortunate the money had been moved on so quickly but this was beyond Barclays' control. It's done what I would've expected in trying to retrieve the funds immediately when the scam was reported.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 30 December 2025.

Faye Brownhill
Ombudsman