

The complaint

G complains that Barclays Bank UK PLC won't refund the money it lost when it was the victim of a scam.

What happened

The details of this complaint are well-known to both parties, so I have just summarised some of the key events below.

G is a limited company which deals in the sale of model railways. In 2018 it was looking to raise funds so its director, Mr P, posted an appeal for support on its website. He then received an offer of funds from an inheritance abroad. And after communicating with those involved, including being sent a number of documents and having several face-to-face meetings, Mr P made a number of payments and cash withdrawals from both his and G's accounts to pay for expenses he was told were involved in paying some of the inheritance to him.

I've set out the cash withdrawals Mr P says were made from G's accounts as a result of this scam on the attached spreadsheet.

Unfortunately, we now know the inheritance was a scam. After the scam was uncovered, G reported the cash withdrawals to Barclays and asked it to refund the money it had lost. Barclays investigated but said Mr P had reported the scam to it sometime earlier but had then continued making payments towards it, and had given it incorrect information when it asked him about some of the payments he had made. So it didn't think any intervention it could have carried out would have prevented G losing the money it did.

G wasn't satisfied with Barclays' response, so referred a complaint to our service. I sent G and Barclays a provisional decision on 23 May 2025, setting out why I didn't intend to uphold the complaint. That provisional decision forms part of this final decision and is copied below:

"Are the payments G made covered by the CRM code?"

G has mentioned Barclays' responsibilities under the CRM code. So I've first considered whether the CRM code applies to the withdrawals G has complained about here.

The Lending Standards Board (LSB)'s Contingent Reimbursement Model (the CRM code) is a voluntary code which Barclays has signed up to. It sets out a number of circumstances in which firms are required to reimburse customers who have been the victims of certain types of scam. But it only covers transfers made between UK based accounts – so doesn't cover cash withdrawals.

And all of the payments G has complained about here, as set out on the attached spreadsheet, were cash withdrawals. So these withdrawals aren't covered by the CRM code and I don't think it would be fair to require Barclays to meet the standards set out in the code in relation to them.

Did Barclays do enough to protect G when it made the withdrawals?

The cash withdrawals G has complained about here are not covered by the CRM code. And G accepts it made these withdrawals. So while I recognise it didn't intend for the money to go to scammers, it did authorise these withdrawals. And so the starting position is that it is liable for the payments and Barclays doesn't have to refund them.

Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I think 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 processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So I've also considered whether Barclays should have identified that G was potentially at risk of fraud as a result of these withdrawals, or otherwise done more to protect it.

But even if Barclays had identified that G was potentially at risk of fraud as a result of some of these withdrawals, I don't think the action I would have expected it to take would have prevented its loss. I'll explain why below.

I'm satisfied Barclays ought to have recognised that G was at heightened risk of financial harm from fraud as a result of a number of the withdrawals it made here. G made a number of cash withdrawals of significant amounts, and often in relatively quick succession – which is a pattern of behaviour often seen when customers are falling victim to a scam.

I think a proportionate response to the risk I think Barclays should have identified would have been for it to carry out some sort of human intervention with G. I think it should have spoken to G – likely Mr P – in person, and asked in-depth and probing questions about the purpose and circumstances surrounding the withdrawals it was making in an effort to establish the circumstances surrounding them before allowing them to debit G's account. But, even if it had done this, I'm not satisfied it would have prevented G's loss.

Barclays' records show that it spoke to Mr P in person about the payments he was making from his personal account a number of times, either in branch or over the phone. But Mr P gave it a number of different explanations for why he was making the payments, which now appear to be false – including that he was purchasing medals and antiques which he collects.

So even if Barclays had asked more probing and in-depth questions about the withdrawals G was making here, I think Mr P would likely not have given it accurate or complete information about the purpose or circumstances surrounding them – as happened with the questions he

was asked about other payments. And so I don't think Barclays would have had any concerns about the withdrawals following the questions I would have expected it to ask.

Barclays' records also show it discussed the possibility of scams with him several times, but that Mr P still wanted to make the payments.

At one point during the scam, Mr P reported to Barclays that some of the payments were made as a result of a scam. But he then asked that Barclays stop the recalls on the payments it had started, saying that they were done in error and that there was no problem with the payments.

During a previous complaint with our service in early 2020, Mr P was also asked about some of the payments made from his personal account, but told our investigator at the time that they were for a church and were not part of a scam.

And following this previous complaint, Barclays closed Mr P's accounts. But he then opened accounts with a different bank and continued making payments towards this scam from those new accounts.

And so, even if Barclays had identified concerns about the withdrawals G was making and warned that it thought it was likely the victim of a scam, I'm not satisfied the type of warning I would have expected it to provide would have impacted G's decision making or stopped it from continuing to make the withdrawals. As Mr P continued to make payments to the scam after initially reporting it as a scam, after our service queried the payments, and after Barclays closed his account, I'm not satisfied any action I would reasonably have expected Barclays to take at the time would have prevented G making these withdrawals.

Mr P has said he only asked Barclays to stop the recalls after receiving a number of threats from the scammers. And I appreciate that this will have been an awful experience for him, and I think it's completely understandable that he felt he had no choice but ask for the recalls to be stopped and to continue making the payments. But unfortunately, I think this only reinforces that he would likely not have given Barclays accurate or complete information about the circumstances surrounding the withdrawals and would still have wanted them to be made – even if Barclays had asked more probing questions and given a clearer and more impactful warning.

I also recognise Mr P has said that the bank he opened the new account with ultimately blocked his use of his debit card, and that this led to him not sending any further payments as part of this scam. He feels that Barclays should have taken similar action, particularly after it was made aware of his vulnerability and his previous reporting of the scam, and that this could have prevented any further payments.

But while I accept that Mr P was vulnerable, even once it was made aware of this, I wouldn't have expected Barclays to take significantly different action than the action I've explained above. And while another bank ultimately chose to block the use of his debit card, I don't think it would be fair to say that Barclays had acted unreasonably in not doing this. I think the questioning and warning I set out above would still have been a proportionate response to the risk I think it should have identified – particularly given the information I've explained I think G would likely given it about the withdrawals when asked.

So I still don't think the action I would have expected Barclays to take would have prevented the loss G suffered from these withdrawals.

Mr P has said another bank he sent payments to this scam from has agreed to refund some of the money he lost. But I don't think this necessarily means Barclays should also have to

refund G here. And, for the reasons I've explained above, I don't think it would be fair to require Barclays to refund any of the cash withdrawals G made here.

I appreciate that G has been the victim of a cruel scam and that my decision in relation to these withdrawals will come as a disappointment to Mr P. G has lost a significant amount of money and I sympathise with the position Mr P has found himself in. But I can only look at Barclays' responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected Barclays to have done would have prevented the loss G suffered from these cash withdrawals. And so I don't think it would be fair to require Barclays to refund the money G has lost from them."

I said I'd consider anything further G and Barclays submitted following the provisional 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.

Barclays didn't respond to the provisional decision. G asked that Barclays be required to refund all the payments it had made, in full, and made a number of arguments which I will address below.

Firstly, G referred to a number of pieces of banking guidance or codes of conduct that it feels show Barclays should have taken more action than it did to protect it from financial harm from fraud. And I can assure G that I considered all the relevant law, regulators rules and guidance, codes of practice – including the BSI code of practice, the banking protocol and the FCA's guidance on fair treatment of vulnerable customers it mentioned – and what I consider to have been good industry practice at the time when coming to my decision.

But, as I explained in my provisional decision and while I accept that Mr P was vulnerable at the time, I still think the questioning and warning I set out would have been a proportionate response to the risk I think Barclays should have identified – particularly given the information I've explained I think Mr P would've likely given it about the payments when asked.

And even if Barclays had gone further than this and invoked the banking protocol and placed restrictions on his account as G has suggested, given the misleading information Mr P gave both it and our service in response to the questions he was asked and that he continued making payments after previously reporting other payments as a scam and from an account with a different bank after Barclays closed his accounts, I don't think it's likely that any of this action would have prevented G making the payments or losing the money it did.

I appreciate G says restrictions the other bank put in place ultimately stopped the payments Mr P was making, but the scam was at a different stage when the other bank put these restrictions in place. And as Mr P gave both Barclays and our service misleading information about the payments and continued making payments towards the scam after previously reporting it to Barclays, I think the evidence suggests that he would have continued making payments towards the scam at this time – regardless of the action Barclays had taken.

G also mentioned that our service had said that there was no record of Barclays asking Mr P questions about payments he made during a previous complaint he made. But that complaint was about different payments to the payments this complaint is about, and I can't comment in this decision on any issues dealt with in another complaint. I can also assure G

that I've seen evidence from Barclays' records of it speaking to Mr P in person about the payments I referenced above.

G also suggested that the principles of vulnerability from the CRM code should be applied to all the payments Mr P made. But I don't think it would be fair to require Barclays to meet the standards from the CRM code in relation to payments that it doesn't apply to.

Finally, Mr P said that the payments made from the Barclays account held in his name, trading as his business, should be included in the complaint brought in his name – rather than in this complaint brought by his business. So I have now included the payments from this account as part of the complaint in his name, rather than in this complaint – although it does not affect the reasoning or outcome of this complaint.

And so I still think the conclusions I came to in the provisional decision are correct, and for the same reasons. I still don't think anything I would reasonably have expected Barclays to have done would have prevented the loss G suffered from these cash withdrawals. And so I don't think it would be fair to require Barclays to refund the money G has lost from them.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 8 August 2025.

Alan Millward
Ombudsman