

The complaint

Mr M has complained that Barclays Bank PLC won't refund money he lost to a scam.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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.

I've taken into account Mr M's very detailed submissions about what happened at the time. I hope he doesn't take it as a discourtesy that I don't reply to every point he has made. The purpose of my decision is to explain my findings on the issues I consider key in the complaint. I would also point out that I really do appreciate the impact this issue has had on Mr M. But in reaching my decision in this case, I have to put aside my natural feelings of empathy and consider the case impartially and fairly, based on the available evidence. Mr M has raised a point regarding some of the payments the investigator included in his opinion and Mr M has said those payments fall outside of this complaint. To be clear, I haven't made a finding on this point, but in line with Mr M's request, I have excluded them from my consideration of this complaint.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mr M knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Barclays is expected to process Mr M's request, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Barclays to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Barclays ought reasonably to have held such suspicions or concerns in relation to the payments - and if so, what might've been expected from a proportionate intervention at that time. Further to that, where there is an interaction between a customer and a bank before a high value payment is processed, as there was here, I'd expect the bank to take reasonable steps to understand the circumstances of that payment.

So, taking all of this into account, I need to decide if Barclays acted fairly and reasonably in their dealings with Mr M when he made the payments. Specifically, whether they should've done more than they did before processing them – and if they had, would that have made a difference. I also need to decide if Barclays could've reasonably recovered the lost funds.

Having considered the disputed transactions (which fall part of this complaint) I agree with the investigators findings that the second payment of £5,300 made on 4 May 2024 ought to have triggered Barclays fraud detection systems. I say this because, it was noticeably out of line with Mr M's usual account activity, a higher payment value going to a well-known cryptocurrency provider. However, this is not in dispute, as Barclays did in fact intervene on this payment. So, I have gone on to consider what I deem to have been a proportionate intervention.

The FCA's Consumer Duty, which was in force at the time these payments were made, requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers. As such, firms, have developed warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In light of the above, by May 2024, when these payments took place, Barclays should have had systems in place to identify, as far as possible, the actual scam that might be taking place for example by asking a series of automated questions designed to narrow down the type of scam risk associated with the payment he was making and to have provided a scam warning tailored to the likely scam Mr M was at risk from. I accept that any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance.

I am aware that Barclays went one step further than this and contacted Mr M via telephone (I am also aware that it intervened in this way on other payments too). Having reviewed the call transcripts provided, it is evident that Mr M had expressed dissatisfaction with being questioned and didn't answer the questions accurately which prevented Barclays from identifying the exact scam Mr M was falling victim to.

However, I am aware that on one intervention call on 8 May 2024, the advisor asks many probing questions and again the answers that Mr M provides are not accurate. I also have to bear in mind that the level and depth of questioning have to be proportionate to the situation – I have to consider that Mr M should not have been subjected to an interrogation by bank staff. The advisor describes the type of scam Mr M could be falling victim to (a job scam) and asks if it resonates with him and Mr M says "Not a job or anything. No, no". Therefore, I am satisfied that by Mr M providing inaccurate answers to the questions Barclays asked (despite being given the circumstances he was in as an example of a potential scam) which in turn denied it the opportunity to identify the potential scam risk Mr M was falling victim to and prevent the payment from being processed.

I have considered the point Mr M has raised regarding being on a busy train when he took some of the intervention calls and that he said he couldn't always understand what the advisors was asking him (due to dialect). But I have also considered how many intervention calls took place and the time between each of them. I am satisfied that Mr M had time to reflect and complete thorough research (especially after the advisor provided an example of a job scam which ought to have resonated with Mr M's own circumstances). As such, I am persuaded, that even with more thorough probing questions (considering what I have outlined above) Mr M would have continued to provide Barclays with inaccurate information denying it an opportunity to unveil the scam. I am satisfied on balance, that Mr M was more persuaded by the scammer to the extent Barclays would have been unable to break the spell and unveil the scam. This is evidence by the fact when the final payment was declined, Mr M found an alternative method to make the payment. Therefore, I can't reasonably hold Barclays responsible for this.

Mr M has raised several points around his vulnerability. Barclays has said it was unaware of Mr M's vulnerability until May 2024. However, it has acknowledged that a subsidiary group had been made aware. Mr M disagrees and states Barclays was aware and has stated that even if it wasn't, as the subsidiary group was aware it ought to have had mechanisms in place to identify his vulnerability. Where the evidence is incomplete, inconclusive or contradictory, I make my decision on the balance of probabilities. Therefore, I have considered what I would have expected Barclays to do if it was aware of Mr M's vulnerability.

In this case, as explained above, I am satisfied the payments in dispute triggered its fraud detection systems. So, I would consider what I would expect Barclays to do when intervening with a vulnerability such as Mr M's. As I have explained a proportionate intervention (without considering Mr M's vulnerability) would have been an automated warning. So, in these circumstances, if Barclays had been aware of Mr M's vulnerability I would have expected human intervention. In this case, Barclays did do that. And for the reasons I have already explained, I am satisfied it wouldn't have unveiled the scam.

Recovery

I've also looked at whether Barclays took the steps it should have once Mr M contacted them to dispute the payments. It's important to note that Mr M didn't ask Barclays to send the money directly to the scammer but instead to a legitimate cryptocurrency provider (to an account in his own name under his control). Barclays did as Mr M requested. So, it was always highly unlikely that Barclays would be able to facilitate the recovery of the payment after they were moved on from Mr M's account to the scammers. So, it follows that I won't be asking Barclays to do anything further.

I note that Mr M has said that he wants £300 compensation for the distress and inconvenience. Whilst I don't dispute Mr M would have felt distressed and inconvenienced by the scam he fell victim to, I haven't seen any evidence to persuade me that Barclays need to do anything more than it has already done.

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 Mr M to accept or reject my decision before 13 March 2026.

Jade Rowe
Ombudsman