

The complaint

Mr T complains that Barclays Bank UK PLC ('Barclays') hasn't reimbursed his full loss after he fell victim to a scam.

What happened

Mr T says that he met an individual I'll call J through a messaging service in 2013. J said she was American and living in Africa. They got to know each other and built a trusting relationship. A few years later, J first started to ask Mr T for money. Initially J asked for help with hospital fees as she said she didn't have her passport and couldn't be discharged without paying her bill.

Later, J told Mr T that she had inherited gold valued at around \$16million from her father that she was trying to sell. J asked Mr T to help her to sell the gold. Once the gold was sold, J said she would move to the UK. Mr T made various payments to the bank accounts of individuals in the UK who he thought acted as agents to get the money to J to sell the gold.

Once the gold was sold, J said the African bank that received the proceeds of sale had withheld the funds until certain conditions were met. J asked Mr T to make multiple payments to different individuals to release the funds. In return, J agreed to pay Mr T 25% of the value of the gold.

Mr T received fake documents, including an African court 'Certificate of Ownership' saying he was the owner of £1,600,000 in June 2017 and another relating to charges of £82,000, £40,000 of which had already been paid. In February 2018, Mr T received a 'Letter of Mandate' from the African bank his funds were allegedly held at to say J's funds had been held due to insufficient paperwork. After this, he made multiple payments to try to release funds, including solicitors' fees, bank clearance fees, government fees and court fees.

On 15 October 2021 Mr T called Barclays to log a scam case. He reported the scam had been going on for three years and involved a bank in Africa. He was asked to go into branch to discuss the payments. On 22 October 2021 Barclays contacted the banks that received Mr T's funds. Barclays called Mr T in December 2021 to provide a claim outcome. It said it would reimburse 50% of the payments made after the Contingent Reimbursement Model Code ('CRM Code') came into effect because it didn't contact the receiving banks as quickly as it should have.

Mr T raised a complaint in 2023, and Barclays issued its final response letter on 25 September 2023. It noted that payments were made before and after the CRM Code came into effect on 28 May 2019. It assessed the liability of all parties and said that when Mr T made certain payments it identified that he had fallen victim to a scam, but he chose to make further payments. In terms of Mr T's actions, Barclays said that the documents provided to him to persuade him to make payments lacked authenticity and included a lot of mistakes, and that given the time period over which he was asked for funds, he should have had concerns.

Barclays also explained to Mr T that it had tried to recover his funds from the accounts of the people he paid but had only been able to recover £1, and it was unable to trace his funds beyond this point.

Mr T was unhappy with Barclays' response and brought a complaint to this service. He says that Barclays didn't do enough to protect his funds or act on information he provided to recover them.

Our investigation so far

The investigator who considered Mr T's complaint didn't recommend that it be upheld. In respect of payments made before the introduction of the CRM Code, he noted that Barclays had intervened on multiple occasions and told Mr T he was being scammed. Turning to payments covered by the CRM Code, the investigator noted that Barclays had already reimbursed 50% of these payments. This was what he would expect Barclays to do when Barclays could fairly rely on the reasonable basis for belief exception to reimbursement but hadn't met its standards.

Mr T didn't agree with the investigator's findings. He said:

- All his payments were to UK bank accounts making each account holder a money mule. By paying UK banks, he thought he would be protected.
- Barclays should have chased the receiving banks to return his funds, and, if they didn't do so, should pay him itself.
- Barclays didn't do enough to recover his funds – there was no effort to get assets or anything else from the recipients of his funds.
- He made significant payments over a few months including a payment of £32,000 he was advised to split in two, but didn't receive scam warnings.
- He received a letter from Barclays in December 2020 about a cheque that was crediting his account.

Mr T's complaint was passed to me to decide. I intended to reach a different outcome to the investigator, so I issued a provisional decision on 25 November 2025. In the "What I've provisionally decided – and why" section I said:

"In deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

Mr T has referred to the evidence provided by the police and its lack of investigation. I need to make it clear that I'm considering whether Barclays, as Mr T's bank, acted fairly. I can't comment on the actions of the police. I should also clarify that Barclays has a responsibility to contact the bank that received Mr T's funds to see if any funds remain, but it is not for Barclays to trace where the funds went beyond that or to try to seize assets as Mr T has suggested.

In broad terms, the starting position at law is that a bank such as Barclays 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.

Payments covered by CRM Code

Mr T made a limited number of payments that pre-date the introduction of the CRM Code on 28 May 2019. He then made multiple relatively low value payments that are covered by the provisions of the code. Barclays has reimbursed 50% of all these payments. It says it has done so on the basis that when Mr T first reported a scam on 21 October 2021, he was referred to branch where the scam was fully recorded the following day.

I don't consider a delay of one day in reporting scam payments up to 16 October 2021 likely made any difference to the amount Barclays was able to recover. But I think that the most I would recommend that Barclays reimburse Mr T under the provisions of the CRM Code would be 50% of the payments that are covered by it. I say this because I think Barclays

could fairly apply the reasonable basis for belief exception to reimbursement in the code. Mr T placed a huge amount of trust in someone he had never met in person, was given an unlikely story about helping to sell gold, made many payments to individuals in the UK who Mr T was told were acting as agents for J, kept being asked for more funds, and received documentation that didn't appear to be legitimate. Mr T had also been told by Barclays fraud staff that he was likely falling victim to a scam.

Overall, I consider Barclays acted reasonably in reimbursing 50% of the transactions covered by the CRM Code. Barclays has reconsidered its calculation and noted that it underpaid Mr T £15. It has agreed to reimburse this sum plus interest from the date it reimbursed Mr T under the CRM Code (15 December 2022) to the date of settlement.

Pre-CRM Code payments

I turn now to the scam transactions Mr T made before the introduction of the CRM Code. Barclays has told this service that it has no obligation to reimburse Mr T for these losses. I disagree and will explain why.

In deciding what Barclays ought fairly and reasonably have done when the payments were made, I'm mindful that:

- FCA regulated banks are required to conduct their "business with due skill, care and diligence" (FCA Principle for Businesses 2) and to "pay due regard to the interests of its customers" (Principle 6)'
- Banks have a longstanding regulatory duty "to take reasonable care to establish and maintain effective systems and controls for compliance with applicable requirements and standards under the regulatory system and for countering the risk that the firm might be used to further financial crime" (SYSC 3.2.6R of the Financial Conduct Authority Handbook, which has applied since 2001).
- Over the years, the FSA, and its successor the FCA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by banks to counter financial crime, including various iterations of the "Financial crime: a guide for firms".
- Regulated banks are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship).
- The October 2017, BSI Code, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code, but in my view the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now.
- The Banking Protocol was piloted in 2016, launched from May 2017 and was implemented across all police forces from March 2018. It codified what was already considered to be good practice.

Overall, 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 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, or provided additional warnings, before processing a payment – as in practice all banks do.

In this case, Mr T has asked this service to consider payments he made from 8 May 2017. The first payments were low in value, and I don't think they ought reasonably to have caused Barclays any concerns. Mr T has included in his table of transactions a £25,000 payment made in branch on 25 May 2017. I have statements for all his accounts and can't see any reference to this transaction. There is also no mention of it in Barclays' notes. So, unless Mr T can evidence this payment was made from one of his Barclays accounts, I won't consider it.

I have set out a chronology of the available records to help me to decide this case.

Mr T made some initial relatively low value payments in May 2017. The first larger payment Mr T made was a faster payment of £18,000 to an individual on 5 June 2017. This was followed by two £16,000 transactions, on 13 and 14 June 2017. These payments follow a returned £32,000 payment. It appears that restrictions were placed on Mr T's account on 22 June 2017. Mr T attended branch on 29 June 2017, and staff called Barclays' fraud department. At this stage Mr T advised branch staff that he was in the process of buying a gold company in Africa and had already made large payments to start the process (£18,000, £16,000 and £16,000). Barclays' notes say that branch staff told Mr T they thought it was a scam and provided advice, but Mr T didn't believe them.

Barclays then blocked a payment Mr T tried to make on 23 February 2018. Mr T was referred to branch and spoke to staff the following day. He initially said he was buying a car he had seen on a marketplace that he hadn't seen in person, but later said the payment was for legal fees to a bank in Africa for a deal he was doing. He explained he'd been asked to send the funds to an individual in the UK as it would be quicker. Barclays staff told Mr T it was a scam, declined the payment, and arranged for the police to visit Mr T at home. Barclays noted Mr T had made payments the previous year and wasn't likely to get his money back. Shortly after, Mr T spoke to another Barclays fraud adviser who also told him he was being scammed. Mr T didn't believe it was a scam and said he was due millions but needed to make a payment of around £7,950.

On 3 March 2018 Barclays' records show that a scam claim was raised. A payment of £7,995 had been prevented but Mr T had made a payment previously to the same individual for £1,000.

On 12 October 2018 and 2 November 2018 Mr T made two payments of £25,000 and £44,000 from his savings account to a company.

On 22 November 2018 Mr T went into branch to request a loan for £25,000. He explained that the funds were to be added to payments already made to Africa to receive his share of gold held by the ministry of finance there. Mr T was told it was highly likely a scam and staff offered to invoke the Banking Protocol, but Mr T declined. Barclays advised Mr T to check the validity of the documentation he had been sent and declined his loan application. A note added to Barclays' records on this date said that the £44,000 payment mentioned above was referred to the fraud team. As Mr T confirmed the details were correct, the payment was processed.

In October 2021 Mr T called Barclays to log a scam case. He reported the scam had been going on for three years and involved a bank in Africa.

I don't think Barclays ought reasonably to have had any concerns about the initial relatively low value payments in May 2017. They were in keeping with his usual account activity and there's a balance to be struck between Barclays identifying concerning payments and responding appropriately to any concerns, and minimising disruption to legitimate payment journeys.

I have Barclays' internal records of contact with Mr T from 1 December 2017. There is no reference in these records to any interactions with Mr T before June 2017. Mr T remembers being told to split his £32,000 reverted payment in two, suggesting there was some kind of conversation about the two £16,000 payments but there are no records at all. I consider the payment of £18,000 was highly unusual given the usual activity on Mr T's account and that Barclays ought reasonably to have had a conversation with him about it. It was significantly larger than any previous transaction on the account and was to a new payee.

Given that on 29 June 2017 Mr T said that he was buying a gold company in Africa, I think he'd have said the same thing if asked about the first large payment of £18,000. On 29 June, Barclays staff thought he was falling victim to a scam so I think the result would have been the same if Barclays had spoken to Mr T when the £18,000 payment was made. Whilst Mr T didn't believe he was being scammed, Barclays could have required him to provide evidence to show he was buying a gold company, which would have been readily available if there was a legitimate sale. Had Barclays asked for such evidence, I think it would have been able to be more definitive and say Mr T was falling victim to a scam and it wouldn't make the payment. Other documents Mr T has provided are far from persuasive, so I think Barclays would have been able to easily identify the hallmarks of a scam.

It's possible that Mr T wouldn't have accepted that he was the victim of a scam and would have attempted to make further payments, such as the substantial ones he later made to a company in October and November 2018. Given what Barclays knew though about Mr T's propensity to be manipulated by scammers, these payments should also have been blocked. By this stage Barclays had already told Mr T he was the victim of a scam and had invoked the Banking Protocol. I don't think it would have been difficult to identify that Mr T was being scammed as the payee wasn't a genuine company.

All other transactions were made after the introduction of the CRM Code and have been covered already.

Given what I've said above, I'm satisfied that Barclays should bear some responsibility for Mr T's pre-CRM Code losses from the £18,000 payment on 5 June 2017. But, based on the legal principle of contributory negligence, I think Mr T should share responsibility for his loss – meaning Barclays should reimburse 50% of his losses from and including the payment of £18,000 on 5 June 2017.

I think Mr T should share responsibility for his loss for the same reasons I said I wouldn't ask Barclays to reimburse more than 50% of the payments covered by the CRM Code. Mr T placed a huge amount of trust in someone he had never met, was given an unlikely story about helping to sell gold, made many payments to individuals in the UK believing they were acting as agents for J, kept being asked for more funds, and received documentation that didn't appear to be legitimate. And Barclays had advised Mr T it thought he was falling victim to a scam, but he continued to make payments.

Overall, I don't consider that Barclays did enough to protect Mr T when he made out of character transactions and am satisfied Mr T should share responsibility for his loss from 5 June 2017. I calculate the award to be £59,500. In addition to this, as stated above, Barclays has agreed to pay £15 plus interest as it incorrectly calculated the amount due to Mr T when it assessed his claim."

Responses to my provisional decision

Barclays said that it didn't believe that intervention in June 2017 would have made a difference and prevented Mr T's loss. It was able to locate calls that previously weren't available from February 2018. In particular, Barclays referred to a call that took place with Mr T and a member of its fraud team on 26 February 2018 following a branch visit the day before. In branch, a payment of nearly £8,000 wasn't made and Mr T was shown evidence that Barclays said showed the payment wasn't genuine. Mr T said that he had checked the details, and the individual Barclays showed him some information about in branch was based in the USA and wasn't the person he was trying to pay in the UK. Barclays say that the adviser told Mr T it was a scam, and he agreed to get his lawyers to talk to lawyers in Africa. But after this call, Mr T went on to make further scam payments. Barclays said that ultimately it is obliged to follow payment requests and that the Banking Protocol wasn't in force in June 2017.

Mr T said that Barclays didn't work with external agencies investigating the scam and didn't get his money back from the receiving banks, so should be responsible for his loss. He feels that not enough is being done to combat money laundering.

Mr T also brought to my attention the prosecution of an African scammer and said it showed what could have happened if the police and Barclays had worked together.

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'd like to reiterate to Mr T that my role is to consider the actions of Barclays as his bank. I can't consider the roles of external parties and the investigations they did or didn't complete. I will also reiterate that Barclays has a responsibility to contact banks that receive scam funds to try to recover them. But if no funds remain in the account to recover, there is nothing more Barclays can do. In this case the scam was reported so long after many scam payments were made that it is not surprising that funds weren't available in the recipient accounts to return. Scammers usually move funds on quickly to avoid the possibility of them being returned to victims. It is not for Barclays to investigate where the funds went when they left the recipient accounts.

I have carefully considered the additional points raised by both parties and have listened to the call recordings Barclays has provided from February 2018. On balance, I'm still persuaded the outcome I reached in my provisional decision is fair.

The details about interventions by Barclays set out in my provisional decision were taken from its notes. I now have some recordings that give a clearer picture of what was discussed in February 2018. Barclays say that based on these conversations, it doesn't think that if it had intervened in June 2017, it could have prevented Mr T from making payments to the scammers. I have considered the matter carefully.

At the point at which I think Barclays should have intervened in June 2017, based on Barclays' later conversation with Mr T at the end of June, I'm satisfied he would have told Barclays the payment was to buy a gold company in Africa. I think this would have been an immediate red flag to Barclays and that it ought reasonably to have probed further. I appreciate that Barclays' notes say that when Mr T told Barclays he was buying a gold company later that month and Barclays said it thought it was a scam, he wasn't persuaded. But there are no records of this conversation to help me to understand what was said. And Barclays, as the fraud expert here, could have asked for evidence if it believed Mr T was the victim of a scam. As I said in my provisional decision, this evidence would have uncovered the scam given the poor quality documents Mr T was provided with and the overall implausibility of the scam.

Barclays has said that even if it had identified that Mr T was falling victim to a scam, it couldn't have refused to follow his payment instructions, but this would mean allowing funds to be used to further financial crime. I can see that Barclays later took the decision to close Mr T's account when he said he was still in contact with J.

I turn now to the call recordings Barclays provided after I issued my provisional decision. It's difficult to determine if the evidence Barclays showed Mr T in branch showed that the payee he was intending to pay was a scammer. Mr T said in a call with Barclays the day after he had been to branch that what branch staff showed him was incorrect and related to a different person who lived in the USA. I have no way of knowing whether Mr T was right as I don't know what he was shown. But Mr T agreed that the funds wouldn't be sent. His main concern was that the intended recipient thought Mr T had reported a scam, but this wasn't the case.

In the same conversation, Mr T referred to releasing funds held in Africa and needing to pay for an authentication certificate for tax purposes. Barclays' fraud agent told Mr T he was being scammed, and he wouldn't see any money. Mr T agreed that going forward he would arrange for his lawyers to speak to lawyers in Africa.

I'm not persuaded it's fair to conclude that Barclays couldn't have uncovered the scam in June 2017, based on the call recordings from February 2018. The payment that Barclays flagged and that was being discussed wasn't made and Mr T was open to a scam conversation. The more general situation was discussed in terms of the fact it had gone on for some years, but Barclays didn't delve into the detail and clearly show to Mr T why it was a scam. I think it more likely than not that if Barclays' fraud team had demonstrated why Mr T was the victim of a scam in May 2017, he would have taken this on board, and his further loss would have been prevented.

Putting things right

Overall, I think Barclays missed an opportunity to prevent Mr T's loss on 5 June 2017 and that it should be responsible for 50% of the following transactions (as I think a 50% deduction to reflect Mr T's contribution to his loss is fair):

Date	Amount
05/06/17	£18,000
13/06/17	£16,000
14/06/17	£16,000
12/10/18	£44,000
02/11/18	£25,000

My final decision

For the reasons stated, I uphold this complaint this complaint and require Barclays Bank UK PLC to:

- Reimburse £59,500; and
- Pay interest on the above amount at the rate of 8% simple per year from the date of each transaction to the date of settlement; and
- Pay an additional £15; and

- Pay interest on the above £15 at the rate of 8% simple per year from 15 December 2021 to the date of settlement.

If Barclays Bank UK PLC is legally required to deduct tax from the interest it should send Mr T a tax deduction certificate so he can claim it back from HMRC if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 2 February 2026.

Jay Hadfield
Ombudsman