

## **Complaint**

Mr B is unhappy that Barclays Bank UK PLC didn't reimburse him after he fell victim to a scam.

## **Background**

In April 2021, Mr B made several transfers to an individual who I'll refer to as Mr F. Mr F contacted Mr B on a messaging platform and asked to borrow money to purchase cryptocurrency. Mr B believed Mr F was his friend's boyfriend. He made four payments to the value of £9,001

Shortly afterwards, Mr F sent a screenshot to Mr B to show that he had repaid him. The screenshot showed that he had sent €40,000 to an account Mr B holds with a French bank. This was significantly more than he'd loaned to Mr F, but Mr F reassured him that he could just pay him back in instalments in the coming days. He made three further payments to Mr F to the value of £20,000.

It was only after that point that Mr B checked the balance on his French account and realised that Mr F hadn't transferred €40,000 to him at all. He searched online for the name of the person he was in contact with and found an abundance of evidence suggesting that he was a conman who had defrauded multiple victims.

He complained to Barclays that he'd fallen victim to fraud. It investigated but initially said that this was a private civil dispute between the two parties. It later changed its position and agreed to refund 50% of the money Mr B had lost. It didn't think it should be expected to refund his losses in full because it considered he'd made the payments without a reasonable basis for believing that the request was genuine.

The case was looked at by an Investigator who didn't uphold it. He agreed that Mr B didn't have a reasonable basis for believing this was a legitimate request. He considered that Barclays had done more than it would be expected to under the relevant rules by refunding 50% of his losses.

Mr B disagreed with the Investigator's opinion. He said that Barclays should've intervened or called him when he was making the payment to check it wasn't a scam. He also says that during a phone call with B, a Barclays employee told him that he'd be reimbursed in full. Mr B made a Subject Access Request (SAR) to Barclays but it didn't successfully retrieve that call, which he says is suspicious.

As Mr B disagreed with the Investigator's view, the complaint has been passed to me to consider and come to a final decision.

## **Findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The starting point under the relevant regulations and the terms of his account is that Mr B is liable for payments he's authorised. However, 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, Barclays was also expected to be on the lookout for unusual or out of character payments or account activity that might have been indicative of a fraud risk.

It is also a signatory to the Lending Standards Board's Contingent Reimbursement Model code ("the CRM code"). That Code requires firms to reimburse customers who are victims of scams like this one, except in circumstances that are set out on in the code. Barclays has relied on a specific exception which says it isn't expected to reimburse the customer if *"in all the circumstances at the time of the payment, in particular the characteristics of the Customer and the complexity and sophistication of the APP scam, the Customer made the payment without a reasonable basis for believing that ... the person or business with whom they transacted was legitimate."*

I've considered the facts of the case carefully and I'm agree that it's fair and reasonable for Barclays to rely on this exception. In other words, I'm persuaded that Mr B made these payments without a reasonable basis for believing the recipient was legitimate. I say that because there were several clear indicators that ought to have put him on notice that this request was unlikely to be a genuine one.

For example, although Mr B believed he was in contact with his friend's boyfriend, he'd never met them before. I find it strange that he wouldn't find it unusual for someone who he'd never met to message him and ask to borrow a large sum of money. In addition to that, his reasons for needing the loan don't make a great deal of sense. He told Mr B that he wanted to buy cryptocurrency but that his own account had been blocked. It's not clear to me why Mr B sending him funds would enable to get around the problems with his own bank account.

Similarly, Mr B didn't question why Mr F was apparently able to send €40,000 to him from an account that he'd previously been told had been blocked by his bank. I think he ought to have been concerned by these inconsistencies, asked further questions and proceeded with great caution.

I agree with Mr B that Barclays should've done more to protect him than it did. These were payments of a significant size and it ought to have been concerned about the risk of fraud. It has accepted that it should've done more, and it was on that basis that it offered to refund half of the money Mr B lost.

I recognised that Mr B thinks that, if Barclays was in any way at fault it ought to reimburse him in full, but the CRM Code specifically provides for a way of dividing up responsibility for a fraud loss where a customer has acted carelessly. And in any event, even if I were to consider the case without applying the CRM Code, I'd still make a finding that Mr B ought to be considered partially responsible for his losses. I'm satisfied that he was and so I think it's fair and reasonable for Barclays to make a deduction from any redress due on that basis.

Mr B argues that, during a phone call he had with Barclays, an employee of the bank told him that he'd be reimbursed in full. It hasn't been able to provide a recording of this phone call, so I've taken into account Mr B's recollections of how that call went. However, I've also listened to another recording of a call Mr B had with Barclays that he supplied. He told us that the employee of the bank told him that he'd be refunded in full if Barclays was at fault. However, I think Mr B has misinterpreted the contents of that call – the Barclays employee actually told him *"If Barclays are at fault, Barclays could be liable for the whole amount."* I can't rule out the possibility that he's misremembered the contents of the other phone call and that it was more ambiguous than he's suggested.

For completeness, I also looked at whether Barclays did everything it needed to after Mr B informed it he'd fallen victim to a scam. I can see that it made prompt efforts to contact the fraudster's bank. Unfortunately, Mr B's money had already been removed from the receiving account.

### **Final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 September 2023.

James Kimmitt  
**Ombudsman**