

The complaint

Ms B complains that Barclays Bank UK PLC ('Barclays') won't refund the money she lost in a romance scam.

What happened

Ms B is represented in this case but for ease I'll mainly refer to Ms B throughout this decision.

Ms B says that in September 2021 she was approached on a social networking site by someone I'll refer to in this decision as A. A told Ms B that he was a pilot who worked for a known airline and was based abroad.

After a few weeks of building a relationship A suggested they meet in person. He said that a vacation fee would need to be paid and Ms B received emails from the airline A said he worked for in respect of the emergency vacation leave. Ms B transferred £1,500 to cover this fee on 20 September 2021.

After this Ms B was told that A's partner who was supposed to replace him while he visited Ms B was on leave, so she needed to pay for a replacement. Ms B made a payment to cover this from an account with a different bank.

A then told Ms B that he had sent her a gift which contained money and jewellery, but she'd need to pay a fast lane shipping fee for the parcel to be delivered. Initially Ms B was advised of a shipping fee of £1,000 but later A said an additional £300 was needed for security. Ms B transferred £1,300 to cover both costs. She says she was sent pictures of the gifts she was due to receive.

On 5 October 2021 Ms B was told that when the parcel was scanned a customs officer identified that it contained watches, mugs and money and that she needed to pay a £5,000 customs fee to avoid further harassment and possible arrest. Ms B made the payment in instalments to the same individual she'd sent the shipping and security fees to.

I have listed below all the payments Ms B made.

Date	Amount	Recipient	Payment reason
20/09/21	£1,500	1	Emergency vacation fee paid to pilot
04/10/21	£1,300	2	£1,000 shipping fee and £300 security fee
07/10/21	£700	2	Customs charges
07/10/21	£1,300	2	Customs charges
11/10/21	£1,000	2	Customs charges
13/10/21	£1,400	2	Customs charges
14/10/21	£600	2	Customs charges
Total	£7,800		

Ms B became concerned when the package didn't arrive, and she was asked for further funds. A also didn't visit and told Ms B this was because he didn't have all the relevant paperwork. Ms B reported the scam to Barclays on 25 October 2021.

Ms B's representative said she was vulnerable under the CRM Code as English isn't her first language and she didn't receive any warnings when the payments were made.

Barclays considered Ms B's complaint. Initially it refunded 50% of all but the first payment but later agreed to refund 50% of all payments (plus £300 compensation for not paying a share of the first payment initially). It said Ms B didn't complete research, due diligence or show any caution before making the payments and so should not receive a full refund under the CRM Code. In reaching this decision Barclays took into account the following:

- Ms B had never met the scammer and only talked to him for a short period of time when the subject of money came up.
- The evidence isn't very convincing with what Barclays said were obviously fake email addresses used.
- The promises made by the scammer were too good to be true.

Barclays said that Ms B later found others who'd been scammed by the same person so had she completed some checks before making the payments the scam would have been uncovered. It also noted that it spoke to Ms B when the first payment was made but didn't do a good enough job. Barclays didn't think Ms B was vulnerable under the CRM Code.

Ms B was unhappy with Barclays' response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that Barclays do anything more. She said Barclays acted reasonably in applying the reasonable basis for belief exception so the 50% refund it had already paid was fair. The investigator highlighted certain points, like the fact that Ms B was asked to pay for emergency leave for someone else and to pay police for a bribe were so unusual they ought to have caused Ms B concern.

Ms B didn't agree with the investigator's findings and asked for a final decision. She said:

- After a recent difficult breakup she was ready to throw herself into a relationship and was not in a position to identify signs of a scam.
- She trusted A and didn't realise she wouldn't be asked to pay for emergency leave. Because she worked for the same employer before and after she moved to the UK, she wasn't aware of usual leave processes.
- She had no experience of fraud.
- She did question the fraudster, but he was able to provide plausible explanations.
- She was in financial difficulty, had debts to pay off and borrowed money from friends to pay the 'customs charges'.
- She should have been provided with effective warnings under the CRM Code.

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.

When thinking about what is fair and reasonable in this case, I've considered whether Barclays should have reimbursed Ms B under the provisions of the CRM Code and whether it ought to have done more to protect her from the possibility of financial harm from fraud.

I'm really sorry to hear that Ms B has lost money in a cruel scam. There's no dispute that she was tricked into making the payments. But this isn't enough for her to receive a refund of the money under the CRM Code.

The CRM Code says that a customer who was vulnerable when they made an Authorised Push Payment ('APP') scam payment should receive a full refund of that payment, regardless of any exceptions set out in it. The CRM Code states that:

"A Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered."

Ms B has said that English isn't her first language, she was experiencing financial difficulties and been through the breakup of a relationship. I've thought about what she's said in the context of the CRM Code, and I'm not persuaded that she couldn't reasonably be expected to have protected herself from the scam because of those vulnerabilities or that they affected her decision-making capacity. Ms B established that she was the victim of a scam by searching the scammer's name. She found that other people had been scammed by the same person. I consider Ms B could have taken this step sooner and protected herself from this scam.

I've gone on to consider other provisions of the CRM Code, which requires firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances. Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that:

- The customer made payments without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.
- The customer ignored what the CRM Code refers to as an "Effective Warning" by failing to take appropriate action in response to such an effective warning.

Taking into account all the circumstances of this case, I think the concerns Barclays has raised about the legitimacy of the transactions Ms B made are enough to support its position that it may rely on an exception to reimbursement in the CRM Code. I don't think she had a reasonable basis for believing the person she transacted with was legitimate and will explain why. I should also say that it's the combination of these factors that lead me to reach this conclusion.

Ms B says that due to the distressing nature of the fraud she has deleted all messages she exchanged with A. So, I've had to place greater emphasis on what Ms B told Barclays when she reported the scam and what she has told this service.

I have set out below why I don't consider Ms B had a reasonable basis for believing A was legitimate:

- Ms B had only messaged A for a short period and never met him before he started to ask for money. So she placed a lot of trust in someone she didn't know. Ms B told Barclays she didn't speak to A, as he said he was busy with work when she tried to call.
- The initial request to pay an emergency vacation fee isn't plausible and becomes even less so when I consider that Ms B was asked to pay an individual she had never met and who wasn't A. Miss B was told she was paying another pilot and not A's employer, which also ought to have raised alarm bells. I don't consider the explanation A provided – that he wasn't allowed to use his own funds because the company provided everything - at all plausible. In fact, this explanation leads to questions around why a fee was payable if A's company paid for everything. Whilst I

accept Ms B may have had limited knowledge of the process for applying for leave, I consider these factors were so unusual Ms B ought reasonably to have completed some checks.

- The emails Ms B received weren't very convincing and came from an email address that did not look legitimate. The fake airline emails started with the name of the airline followed by a number and then ".protonmail.com." They didn't include a logo and weren't written professionally. For example, one email said, "*You can email us any time if you wanna find out more information*". I'm not persuaded a large, well-known airline would communicate in this way. The fake shipping company address ends in the same way ("protonmail.com") and the emails are littered with errors ("*laundry.it*" instead of laundering for example) which I think are concerning and ought reasonably to lead Ms B to question the legitimacy of them.
- There is reference in the emails Ms B has provided to payment by cryptocurrency. I don't believe this is what happened, but the suggestion that payment could be made to an airline, shipping company or customs by cryptocurrency is so unusual it ought to have been a red flag that something wasn't right and led to checks being made.
- The sender of a parcel pays any delivery costs so I can't see why Ms B was asked to pay these costs or why she agreed to do so.
- Ms B wasn't shown any invoices for the payments she was asked to make, and I can't see that she asked for any evidence of the payment requests.
- The payee for the shipping fee and customs fees was the same person, which doesn't make sense. And Ms B was paying an individual and not a company in both cases. I think this ought reasonably to have caused her concern.
- In respect of the customs fees, Ms B was told that if she didn't make the payment she would be in trouble and may even be arrested. Ms B was told the customs officers knew her address and would send police to arrest her if the payment wasn't made. The story is implausible and concerning.
- Ms B says she saw pictures of some items A said he was sending her. But there was nothing to say A owned these items.

Taking all these points into account, I'm satisfied Barclays acted reasonably in relying on an exception to reimbursement under the CRM Code.

In terms of whether Barclays met its own standards, the CRM Code says that the bank is required to provide an effective warning where it identifies an APP scam risk. In this case though, Barclays has already refunded 50% of the payments Ms B made. This is what I'd ask Barclays to pay if it hadn't met the standards required of it by the CRM Code. So I don't consider Barclays needs to do anything more.

Finally, I've considered whether Barclays did enough to recover Ms A's funds. I've seen evidence which shows that Barclays contacted the bank that received the first payment promptly as I'd expect, but no funds remained.

Barclays has admitted it didn't contact the other receiving bank as soon as it should have. So I've looked at whether this had any impact on the recovery of Ms B's funds. This service has evidence from the financial business all the remaining payments were sent to which confirms that all funds were removed on the day they were received. This means that even if Barclays had acted more promptly it wouldn't have been able to recover any funds because by the time the scam was reported all funds had already left the account. Scammers often remove funds quickly, and this is what happened here.

Overall, whilst I'm sorry to hear of Ms B's loss, I can't reasonably ask Barclays to do anything more.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 28 September 2023.

Jay Hadfield
Ombudsman