

## The complaint

Mr C complains that Barclays Bank UK PLC ('Barclays') won't refund the money he lost after falling victim to a scam.

## What happened

In summary: Mr C was approached by someone who convinced him to invest in cryptocurrency. I'll refer to this individual as V. Mr C says that contact was initially over the phone, however it moved to a messaging app. Mr C was told that he needed to set up cryptocurrency accounts and buy cryptocurrency, which V would help him do. As part of this Mr C was asked to download software to give V access to his computer and to send a copy of his passport for identification purposes. As a result, the following payments were made from Mr C's account.

Date	Time	Transaction details	Amount
15.9.2022	17:19	Payment to R	£2,000
15.9.2022	17:38	Payment to R	£2,000
15.9.2022	17:49	Payment to R	£2,000
16.9.2022	12:07	Payment to A	£2,000
16.9.2022	12:08	Payment to A	£2,000
16.9.2022	12:12	Payment to A	£1,000
20.9.2022	17:56	Payment to M	£ 850
		<b>Total loss</b>	<b>£11,850</b>

Mr C says that he believed the investment was genuine, as V sent him a copy of her passport as identification. Mr C became aware he was the victim of a scam when he tried to get his money back.

Mr C raised a fraud claim with Barclays. Barclays considered Mr C's claim under the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code) and agreed to refund 50% of his loss. They declined to refund the remaining 50% based on an exception to reimbursement, saying that Mr C didn't make reasonable checks to ensure the investment was genuine. Barclays were able to recover £292.92 from one of the beneficiary banks, which they paid to Mr C.

Mr C wasn't happy with Barclays' response, so he brought a complaint to our service.

An investigator looked into Mr C's complaint but didn't uphold it. The investigator agreed that Barclays could rely on an exception to reimbursement, so considered what they'd already refunded Mr C was fair.

Mr C disagreed with the investigator's opinion, saying he shouldn't be held liable for his loss as he was the victim of a scam. Mr C asked for an ombudsman to review his complaint.

## 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 are a signatory to 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 an exception applies. In this case Barclays say Mr C made the payment 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.

Just for clarity, it's unclear if Mr C made the payments himself, or whether he allowed V to make the payments through the software he downloaded and with his authorisation. However, I'm satisfied that Mr C did authorise the payments and was aware that they were being made. This means his payments are covered by the CRM Code.

Having considered the information carefully, I agree that Barclays can apply an exception to reimbursement for the following reasons:

- Mr C was told that he could make £20,000, which would mean he would double his money. This return was too good to be true and should've concerned him.
- Mr C was told to download software which allowed V to access his computer and to supervise or make the payments as part of the scam. Mr C should've questioned why a legitimate business would want this sort of access to his computer, including his private bank account information.
- While Mr C thought he was investing with a company, most of the payments were made to two individual payees who weren't related to V or the company he thought he was investing with. Mr C should've been concerned and questioned this. It's also not clear why the two separate payees needed to be set up.
- It's unclear why V would send Mr C a copy of her passport. This is unusual and I wouldn't expect someone working for a genuine company to share personal identification documents with a customer/investor.

Having taken all of the above points into consideration as a whole, I think Mr C should've been concerned about what V was telling him and whether it was a legitimate investment opportunity. This means that Mr C is considered partially liable for his loss under the CRM Code.

Barclays have already accepted that they haven't met their obligations under the CRM Code and have refunded 50%, which is what I would've recommended.

Barclays contacted the beneficiary banks to try and recover Mr C's funds. However, only £292.92 was recoverable, which has been paid to Mr C. From what I've seen, I'm satisfied that Barclays have taken appropriate steps to try and recover Mr C's funds.

I appreciate that Mr C has fallen victim to a scam, however that doesn't mean that he is entitled to a full refund or that Barclays can be fairly held liable for his entire loss. I'm sorry to disappoint Mr C, but I can't fairly ask Barclays to pay him any further money.

### **My final decision**

My final decision is that I don't uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or

reject my decision before 5 January 2024.

Lisa Lowe  
**Ombudsman**