

The complaint

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

What happened

Miss M says that she saw an advert for an ice-cream/slush machine on an online marketplace at a cost of £750. She says she looked at the seller's profile and asked the seller to provide a video of the machine in operation and a form of identification. The seller sent a copy of his driving licence. Miss M also says that although she can't remember the model, she did some research and saw that similar models were being sold for around the same price.

On 23 August 2022 Miss M made a faster payment to buy the machine. After this the seller provided tracking details but there were issues with the tracking company. The seller then said he'd provide a refund but gave reasons why this was delayed and ultimately stopped responding to any messages. Miss M reported what had happened to Barclays on 8 September 2022.

Barclays didn't agree to reimburse Miss M. It said that the transaction wasn't unusual or out of character, so it didn't miss an opportunity to intervene or provide a warning. Barclays went on to say that Miss M didn't complete enough checks to ensure the seller was genuine before she bought the machine. But Barclays recognised that it took too long to give its claim outcome and paid Miss M £150 in recognition of this.

Miss M 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 it be upheld. He said that Miss M didn't complete enough checks to satisfy herself the seller was legitimate. For example, it would have helped to see the machine in person and ask questions, to pay a deposit rather than the full price upfront and to explore a different payment method.

Miss M didn't agree with the investigator's findings and asked for a final decision, so her complaint has been passed to me. In summary, she said she didn't understand what more she could have done as she saw a video, requested identification from the seller and got tracking details. Miss M also said Barclays should have done more to recover her funds.

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.

In deciding what's fair and reasonable, I'm 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.

There's no dispute here that Miss M was tricked into making the payment. But this isn't enough for her to receive a refund under the CRM Code. The CRM Code requires firms to reimburse customers who have been the victims of Authorised Push Payment (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 ignored what the CRM Code refers to as an “Effective Warning” by failing to take appropriate action in response to such a warning.
- 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.

There are other exceptions that are not relevant to this case.

Taking into account all the circumstances of this case, I think the concerns Barclays has raised about the legitimacy of the transaction Miss M made are enough to support its position that it can choose to rely on an exception to reimbursement. I don't think Miss M had a reasonable basis for believing she was paying a legitimate supplier and will explain why.

- Miss M saw an advert for the machine on a platform that connects buyers and sellers. She says that she/her father checked the seller's profile, but I've not seen any evidence of this or of what the seller's profile looked like.
- Miss M was buying something she hadn't seen in person so there was always a risk that something might go wrong. I haven't been provided with any evidence to suggest that she discussed the seller's location and the possibility of viewing the machine. In response to questions asked by this service Miss M has said the seller was based in Wales but she hasn't given any indication of whereabouts. I can see the seller provided a Welsh driver's licence, but this doesn't necessarily mean the seller and the machine were in Wales.
- I've seen evidence that Miss M/her dad asked for photos of the machine and the seller referred to sending a video of it. I've asked Miss M for the photos or video, but these haven't been provided. Given that Miss M didn't see the machine in person I think she ought reasonably to have satisfied herself it existed.
- I've not seen any evidence to suggest the seller owned the item being sold.
- The platform Miss M used provides seller protection in some circumstances if a customer checks out through the platform, but this didn't happen here.
- The seller was male but Miss M transferred funds to the account of a female. She has explained that the seller said this was his wife's account, but I think Miss M ought to have questioned this further given the other red flags in this case.
- Miss M gave an incorrect payment reason when making the payment meaning Barclays was prevented from providing a warning more tailored to her circumstances.
- Miss M says she can't remember the make of the machine she was buying so it's more difficult to establish whether the price offered was reasonable.

Overall, I don't consider Miss M had a reasonable basis for believing she was dealing with a legitimate seller so Barclays can fairly rely on an exclusion to reimbursement under the CRM Code.

I have gone on to consider whether Barclays met the standards set for it under the CRM Code, as well as more generally. Under the terms of the CRM Code, Barclays should take reasonable steps to provide a customer with an effective warning where it identifies an APP scam risk in the course of a payment journey.

Based on what Barclays could reasonably have known at the time, I don't consider the payment would have stood out as being at risk of being connected to a fraud or scam. So I don't consider Barclays should have intervened in any way or provided what the CRM Code

describes as an Effective Warning when the payment was made. The transaction was in line with Miss M's usual account activity (and I note that Miss M made a payment for a greater amount in the months before the scam).

Barclays did provide Miss M with a warning which was based on the payment reason she gave – paying friends and family. If Miss M had given the correct payment reason, she'd have been given a warning tailored to purchase scams that covered the fact scammers post adverts on social media and other sites, and which provided advice about the method of payment.

I've seen evidence that demonstrates Barclays contacted the bank that received Miss M's funds within the timeframe I'd expect. Barclays was unable to recover any funds as they had already been removed. I can't hold Barclays responsible for this.

Finally, I can see that Barclays took longer than it should have to respond to Miss M's claim but that it has compensated her for the delay. I'm satisfied the amount Barclays paid was reasonable and am not awarding anything more.

Overall, whilst I'm sorry to hear about this scam, I can't reasonably ask Barclays to do anything more.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 February 2024.

Jay Hadfield
Ombudsman