

## The complaint

Mr J is unhappy that Barclays Bank UK PLC decided not to refund him after he was the victim of an authorised push payment (APP) scam.

Mr J has used a claims management company to bring his complaint. I'll refer to them as R.

## What happened

Mr J said a close friend recommended an employer, where the job was to complete tasks on different social media sites to make money. The premise was that he needed to purchase packages which allowed him access to carry out tasks across several social media platforms, each task attracting a small payment

Mr J says his friend showed him the app and platform he was using, and the profits he had made.

Mr J said he also researched the app, which had good reviews, and found the employer was registered on Companies House.

Mr J made several deposits to access several different packages across a three-week period. He then started completing the tasks he was presented with in the app, and saw payment for his work accumulating in an online account. Mr J says he didn't attempt to withdraw any funds until mid-February, when the app appears to have stopped working and the scam exposed.

Below are the payments he made as part of this scam.

24/01/22	£100
28/01/22	£1,000
07/02/22	£700
10/02/22	£100

Barclays looked into things, it said it wouldn't be refunding Mr J as it wasn't a scam, the claim couldn't be reviewed under the CRM and it couldn't help any further.

One of our investigators looked into things, she said:

- She was satisfied that Mr J had been the victim of an APP scam and it did meet the definition for the purposes of the CRM.
- Mr J had been introduced to the employer through a long-time trusted friend who showed him bank statements and said they'd been paid around £1,500 for the tasks they had completed. So she could see why Mr J was willing to reasonably risk £100 as an initial payment (without carrying out any other checks beyond what his friend had told him).
- She thought Barclays should refund the first payment. But she didn't think Barclays needed to refund any further payments as she thought the premise for making money seemed strange.

- The information Mr J was provided with to unlock further tasks wasn't credible enough for him to keep making payments.
- He hadn't been making a profit when he made the further payments.
- The payees weren't linked to the employer or the social media sites he was completing tasks for.

Barclays responded to say it didn't agree that the complaint should be considered under the CRM. But did agree with the investigators recommendation to pay £100 but said it would do this as a gesture of goodwill, in an attempt to settle the complaint.

R did not agree with the investigators findings they said:

- The employer had a high functioning, quality app for the completion of the tasks – which included a customer service live chat.
- Many workers were able to withdraw funds which made it convincing.
- Workers were added to a messaging group where they could see other workers withdrawing funds.
- The employer said it was linked to a well-known image sharing social media site.
- The employer shared its Companies House certificate within the messaging groups.
- The premise for making money through social media and liking posts is a growing area for making money.
- Mr J was referred by someone who was able to withdraw funds.
- All victims were required to make payments to a number of different payees.
- Barclays did not provide any warnings which would have otherwise made a big difference to Mr J's decision making.

Our investigator considered the additional points raised but said:

- She didn't agree that the app was high functioning or high quality, and in fact was basic.
- The inclusion of a customer service live chat feature wasn't enough to persuade her that Mr J ought to have thought it was legitimate.
- She accepted that Mr J says a close friend was able to withdraw funds and that's why she recommended a refund of the first payment he made.
- She didn't think being added to a whatsapp group was credible in itself.
- The employer saying it was linked to an image platform and social media brand isn't enough for Mr J to have reasonably believed it to be legitimate. And the profit analysis document doesn't show the link either.
- Whilst Mr J was shown a Companies House certificate, he didn't complete any of his own checks or carry out any of his own research to ensure what he was being told was genuine.
- Mr J continued to make payments without withdrawing any funds.
- She didn't think Barclays needed to provide Mr J with a warning, given the value of the payments and his normal account activity.

The representative didn't agree with the investigators findings and asked for an ombudsman to review the complaint.

Since then, we have asked Mr J about a transaction on his account which shows a credit from a crypto provider. We know that this 'employer' often provided payment through a crypto wallet. Despite initially saying he didn't receive any returns from this employer he has now said that he did. And he's said that this was a small tester withdrawal that he made as it was during the time the employer said they no longer made bank transfers and instead processed withdrawals via a crypto wallet. We have asked Mr J to provide a transaction history of his crypto wallet, but he's said he does not have this.

Mr J hasn't provided any evidence of what his friend showed him prior to him deciding to make the payments, though we have asked.

Mr J has also provided a contract of employment which provides details about promotion rules and payment which is dated 08 February 2022. He'd made three payments by that date.

### **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.

Having done so I have come to the same conclusions as the investigator for largely the same reasons.

I have considered this complaint, based on the individual circumstances, evidence and factors presented to me by Mr J and R.

#### *Is Mr J covered by the CRM?*

Barclays doesn't accept that this complaint should be considered under the CRM as it doesn't believe this is a scam caught by it. But as I accept that Mr J initially entered into the scheme believing it was a legitimate investment or employment opportunity, I think it meets the requirements to be considered under the CRM Code. And Mr J made authorised push payments as result of being scammed. The LSB also clarified that pyramid schemes – which this scam appears to have some resemblance to -- aren't inherently outside the scope of the CRM Code.

On that basis I have considered Mr J's complaint with CRM code in mind.

#### *Did Barclays need to provide effective warnings?*

I don't think Barclays was required to give effective warnings under the CRM Code, in these particular circumstances. I think this because the payment values were individually low and overall don't present a clear APP scam risk. I'm persuaded that Barclays was entitled to consider there were no apparent APP scam risks here. So, I don't think it needed to provide warnings.

#### *Did Mr J have a reasonable basis of belief?*

I've also thought carefully about what Mr J has told us happened, and the reasons Barclays says Mr J didn't have a reasonable basis of belief for proceeding with the payments or that the person (employer) he was dealing with was legitimate.

I broadly agree with the findings made by the investigator, that Mr J may have reasonably proceeded with the first payment – based on a friend's recommendation and seeing the app

that the employer used. But beyond that initial payment I'm not satisfied it was reasonable for Mr J to have continued making payments. I say this because:

- Mr J hadn't received any payment or made any withdrawals at the point he made the second or subsequent payments.
- The second payment was substantially larger than the first and therefore represented a higher risk. Mr J hasn't shown that he carried out any independent research about the employer prior to doing this. I've commented on the information he says he did rely on later in my findings.
- Mr J said his friend showed him his bank statement to show the profits he made. But Mr J hasn't shared this with our service. So I can't be certain what Mr J relied on before deciding to make these payments. And I think this is important as this was what Mr J was key in him deciding to pay money as part of this scam.
- Mr J says he saw money going into his account with the employer. He hasn't been able to provide evidence of this, or any correspondence to show what he specifically discussed with the employer. The screenshots that have been provided of "employee wallets" don't appear to be linked to Mr J. I think it's more likely he and his representatives have shared screenshots seen and shared generally (in a group chat on a messaging app) by people who were scammed by this employer.
- Mr J has shared screenshots of the messages shared on the messaging groups. I'm not necessarily persuaded that this is what Mr J saw. And I'm not persuaded the screenshots are Mr J's, as they appear to come from different phones. I think it's more likely he and his representatives have shared screenshots seen and shared generally by people who were scammed by this employer. And because of this I haven't been provided with evidence of what specifically enticed Mr J to spend money on this job opportunity or what made him think he was dealing with a legitimate company.
- The employer's registration with Companies House wasn't filed until 10 February 2022, after Mr J had made all the payments. He can't reasonably have relied on this to believe the employer was legitimate as it simply didn't exist before then. I believe this is another document that has been shared as part of the wider group of those scammed, rather than something Mr J specifically saw, researched, or relied on, when deciding to make these payments.
- The employment contract containing the promotion rules and payment is dated after Mr J had made three payments as part of the scam. So, it seems unlikely he saw it before he started to send money to the scammer. The document itself is poorly presented and worded, with basic mistakes throughout. So, I'm satisfied that Mr J ought to have been concerned when he received this. And after receiving it I don't think Mr J ought to have had a reasonable basis for believing that the employer was genuine. As I've already said, I think this was the case by the time he made the second payment, but it was all the more apparent on receipt of the contract document.
- Mr J told us the employer made payments through crypto wallets as it "no longer made bank transfers". There isn't any reference to payment via crypto in the contract Mr J has provided. And I would have expected him to become suspicious if a legitimate company said it used to pay for work done by bank transfer but no longer did so.
- Mr J initially told us that he didn't make any profit or income from this scam. But when later questioned about a payment into his account from a crypto wallet he said he had received a small tester payment. We know that payments were made in the form of crypto to wallets and Mr J has received some payment. But Mr J says he is unable

to share his crypto wallet history with us so, I'm unable to determine if he received any other payments from the employer or what his losses, if any, actually are from this scam.

- There are other points provided by both Barclays and Mr J that I haven't specifically commented on but have considered. I've commented on what I find to be most relevant and influential to the outcome.

Considering all of the above and based on the individual elements of this complaint, I don't think it would be fair to ask Barclays to refund any more than it has already offered.

Overall, I'm satisfied that the offer made by Barclays to refund the first payment, of £100 is fair and reasonable in the circumstances and I don't recommend that it needs to refund anything further.

### **Putting things right**

Barclays needs to pay the £100 to Mr J.

### **My final decision**

I partly uphold this complaint and require Barclays Bank UK PLC to pay Mr J £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 17 April 2023.

Sophia Smith  
**Ombudsman**