

The complaint

Mrs C complains that Barclays Bank UK Plc (“Barclays”) won’t refund her after falling victim to a scam.

What happened

In 2022, Mrs C and her husband were looking for flights to the Seychelles. Mrs C says her husband found the airfares after searching online and communicated with a person I’ll refer to as A, via Whatsapp. Mrs C and her husband agreed to purchase two tickets, one ticket each, which they paid for separately.

Mrs C paid £601 for her ticket from her Barclays account on 14 April 2022. Mrs C says when they received the booking confirmation, they contacted the airline and were told that the ticket confirmation was fake.

Mrs C raised a fraud claim with Barclays and asked them to refund her. Barclays declined to refund Mrs C and told her that no funds were recovered from the beneficiary bank.

As Mrs C wasn’t happy with Barclays’ response, she brought a complaint to our service.

While the complaint was with our service, Barclays changed their position and accepted partial liability - offering to refund Mrs C 50% of the payment.

An investigator looked into Mrs C’s complaint and upheld it, saying what Barclays had offered was fair. The investigator explained that as Mrs C hadn’t done any checks on A before making the payment, they felt it was fair for her to share liability with Barclays for her loss.

Mrs C didn’t agree with the investigator’s recommendation and asked for an ombudsman to review the case.

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 Contingent Reimbursement Model (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 Mrs 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.

Having carefully considered everything that Mrs C has told us, I'm not satisfied that she had a reasonable basis for believing that A was legitimate, for the following reasons:

- Mrs C says they had been looking for tickets and gone to some bigger travel agents but found the tickets too expensive. She says the tickets A was offering were cheap and it's not clear what questions were asked or what checks she did to reassure herself that the ticket price wasn't too good to be true based on the prices they had been quoted up to that point in time.
- Mrs C says they later purchased genuine tickets that were cheaper, however it's clear from the call with our investigator that Mrs C and her husband thought the tickets A was offering were cheap.
- It's not clear what if any checks Mrs C did on A before making the payment for the tickets. She says they googled A based on his first name, which didn't provide any results. Also, that A worked for a company she had heard of before and that they googled that company. However, she doesn't remember which company A said he worked for, and it's not referenced in any of the evidence we've been given. There is also no indication that Mrs C did any checks to ensure A genuinely worked for the company he said he worked for.
- We've only been given one screen shot of the Whatsapp communication between Mrs C or her husband and A. This appears to be in the middle of the conversation so doesn't show what questions were asked prior to Mrs C making the payment or whether Mrs C was given an invoice by A - which I would expect if he worked for a company.
- Mrs C was asked to make her payment to an account held in a personal name, not in a company name. Also, the name on the account was different to A's name. It's not clear what questions if any Mrs C asked about why she was being asked to pay funds to a bank account held in an unrelated name. If A worked for a company, I would expect the payment to have been made to a business account.

Taking all of these points into consideration as a whole, rather than on an individual basis, I think Mrs C should've had concerns about the legitimacy of A. Mrs C says she googled A based on his first name only, however I'm not satisfied that is enough in these circumstances. So I agree that Barclays can fairly apply an exception to reimbursement under the CRM Code.

Barclays have accepted shared liability for Mrs C's loss and offered to refund 50% of the payment. This offer is more than I would've recommended. I say this because I'm not satisfied that Barclays were required to give an effective warning under the Contingent Reimbursement Model based on the amount of the payment. And, as explained above, I'm satisfied that Barclays could rely on the exception to reimbursement. Because of this, I wouldn't have recommended they refund Mrs C any of the funds she lost. However, as they have already made this offer which has been put to Mrs C, I would expect them to honour it. It is now for Mrs C to accept it if she wants to.

I realise that Mrs C is going to be very disappointed but being the victim of a scam doesn't always mean that the bank is liable to fully reimburse her. For the reasons I've given above, I won't be asking Barclays to refund anything more than they've already offered.

Putting things right

To put things right Barclays Bank UK Plc should refund Mrs C the 50% they've offered in resolution of her complaint.

My final decision

My final decision is that I partially uphold this complaint and require Barclays to compensate Mrs C as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 7 June 2023.

Lisa Lowe
Ombudsman