

## **The complaint**

Miss M complains that Barclays Bank UK PLC ('Barclays') won't refund the money she lost after a car she bought was confiscated by the police.

## **What happened**

In May 2019, Miss M was looking to buy a car. She found a car on an online marketplace and arranged with the seller to view the car in person. The seller requested Miss M pay a deposit of £50 to secure the car, which Miss M paid. The next day Miss M turned up at the address she was given, viewed the car and took the car for a test drive. Miss M was happy with the car, so she paid the balance of £4,350 by bank transfer.

Miss M says she had the car for a couple of months before she was contacted by the police, who told her the car was stolen and confiscated the car. Miss M contacted Barclays and raised a fraud claim in July 2023, asking that they refund her. Barclays declined to refund Miss M saying it was a buyer/seller dispute.

Miss M wasn't happy with Barclays' response, so she brought a complaint to our service.

An investigator looked into Miss M's complaint but didn't recommend that Barclays refund her. The investigator didn't feel that Barclays should've been concerned when Miss M made the payments, or intervened.

Miss M disagreed with the investigator's opinion, asking that we consider the receiving bank's liability in relation to her loss.

As the case couldn't be resolved informally, it was passed to me to review.

## **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 Code (CRM Code), but the CRM Code only applies to payments made after 28 May 2019 and can't be applied retrospectively. So, I can't apply the CRM Code to Miss M's payments which were made on 17 and 18 May 2019 (although they show on her bank statement as 20 May 2019).

In broad terms, the starting position at law is that Barclays are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Barclays should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Barclays to have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

Having reviewed Miss M's previous account activity, I'm not satisfied that the payments she made to purchase the car were so unusual or out of character that I would've expected Barclays to have identified a potential fraud risk or intervened.

I say this because Miss M had made two transfers from her account in the month prior for £3,225 and £2,990. While the payment for £4,350 is higher than both of these payments, it's isn't high enough for me to say Barclays should've been concerned. Also, there wasn't an increasing payment pattern or series of payments in quick succession that we often see where customers have fallen victim to a scam.

I appreciate that this is a significant amount of money for Miss M, and it has caused her serious financial hardship, but there is a balance to be struck between Barclays identifying payments which could be fraudulent and then responding appropriately to their concerns - while ensuring minimal disruption to legitimate payments.

Having carefully considered the information available to Barclays at the time Miss M made these payments, I'm not satisfied that I would've expected them to intervene. So, I can't fairly hold them liable for Miss M's loss.

#### *Recovery of funds*

Barclays contacted the receiving bank to try and recover Miss M's money. However, the receiving bank considered this a buyer/seller dispute rather than a case where Miss M was the victim of an APP scam. On that basis, they didn't return any funds to Barclays.

I appreciate that Miss M has raised a number of questions in relation to the receiving bank's liability. But I can't consider liability in relation to the receiving bank's actions in a complaint raised against Barclays. Based on what I've seen, I'm satisfied that Barclays have taken the appropriate steps on being notified by Miss M of her fraud claim in attempting to recover the funds.

I'm really sorry to disappoint Miss M, but I'm not satisfied that I can fairly ask Barclays to refund her or hold them liable for her loss.

#### **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 Miss M to accept or reject my decision before 29 October 2024.

Lisa Lowe  
**Ombudsman**