

## **The complaint**

Mr A complains that Barclays Bank UK PLC ('Barclays') won't reimburse him after he fell victim to a scam.

## **What happened**

Mr A says that he saw an advert for a phone on a marketplace platform I'll refer to as S in this decision. The advert said the phone was brand new and in a sealed box and gave a price of £580. Mr A was provided with a receipt for the phone from a well known marketplace. Mr A offered £500, and the seller accepted. He was asked to pay a deposit of £100 and to pay the balance in cash or by transfer on collection.

The seller asked Mr A when he was leaving to collect the phone and then asked him to pay the balance of £400 before he arrived. Mr A questioned this and said the payment should go straight through, but the seller said that wasn't the case and that it was a business account. He made the payment but when he arrived at the address given to collect the phone the seller wasn't there and all contact stopped. He reported what had happened to Barclays on 7 January 2024.

Barclays didn't agree to reimburse Mr A. It said that he didn't take reasonable steps to check the payment was genuine. In particular, Barclays noted that Mr A paid in full before he saw the phone, didn't pay by the method recommended by S, didn't check the item or the seller were genuine, and the price was too good to be true.

Mr A 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 Barclays acted reasonably in relying on an exception to reimbursement under the CRM Code. This was because Mr A paid the full amount without seeing the phone or having any evidence the seller actually owned it, there was no explanation for the reduced price, Mr A only saw one photo of the phone and the receipt provided ought to have concerned Mr A.

Mr A didn't agree with the investigator's findings. He said he didn't usually make transactions of this value and didn't think Barclays took the necessary steps to warn him or that it provided enough support to get the money back.

The complaint has been passed to me to decide.

## **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 in all the circumstances of a complaint, 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 be good industry practice at the time.

I've considered whether Barclays should have reimbursed Mr A under the provisions of the CRM Code and whether it ought to have done more to protect him from the possibility of financial harm from fraud.

There's no dispute here that Mr A was tricked into making the payment and is an innocent victim. But this isn't enough for him to receive a refund of the money under the CRM Code. Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that:

- 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 further exceptions outlined in the CRM Code that do not apply to this case.

Taking into account all of the circumstances of this case, including the characteristics of Mr A and the complexity of the scam, I think the concerns Barclays has raised about the legitimacy of the transaction Mr A made are enough to support its position that it can fairly rely on an exception to reimbursement set out in the CRM Code. I don't think he had a reasonable basis for believing that the person he transacted with was legitimate or that the phone was genuine. I say this because:

- S advised Mr A to use a safe payment method with buyer protection and gave examples, but he chose not to do so.
- Mr A paid for the phone in full before seeing it even though he had reservations about doing so.
- The scammer told him there would be a delay in the payment being received because Mr A was paying a business account, but the account was in the name of an individual.
- Mr A didn't complete any checks to satisfy himself the seller or phone were legitimate. The only evidence given was a receipt from a known marketplace, but this wasn't in the seller's name.
- The price of the phone was too good to be true and ought reasonably to have caused concern. Mr A was paying £500 for a phone that the seller allegedly bought a few months before for £1,399, and the phone was being sold as new.
- Barclays provided Mr A with an onscreen warning when he made the payment which included some relevant detail that ought reasonably to have resonated with him. The warning noted that scammers can post adverts on social media and reputable sites and recommended payment methods that offer protection. The warning also asked Mr A to complete research and read reviews and went on to say that if an offer seems too good to be true, it probably is.

It's the combination of these factors that lead me to believe Mr A didn't have a reasonable basis for belief - none of them can be considered alone.

I also don't think Barclays should have done more to warn Mr A when he made the payment or taken any other steps to prevent it from being made. Although I appreciate the loss of the funds has had an impact on Mr A, the amount of the transfer was relatively small and there was nothing obviously concerning about it that I would have expected Barclays to have picked up on.

Barclays should contact the bank that received scam funds to try to recover them as soon as the scam is reported. I have seen evidence which confirms that Barclays did as I'd expect it to. The firm that received Mr A's funds isn't a signatory to the CRM Code. It said that it didn't consider the activity on the recipient account to be indicative of fraud and that it would take no further action unless it received a police report or substantial evidence. This response

was received days after the scam, by which time I consider it to be very unlikely any funds remained in the recipient account. In the circumstances, I can't reasonably say Barclays should have done more to recover Mr A's funds.

Overall, whilst I'm sorry to hear about this scam and Mr A's loss, I can't reasonably ask Barclays to reimburse him.

**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 Mr A to accept or reject my decision before 7 May 2024.

Jay Hadfield  
**Ombudsman**