

## **Complaint**

Mr K is unhappy that Barclays Bank UK PLC didn't refund him after he fell victim to a scam.

## **Background**

In March 2024, Mr K saw an advert on social media. It was posted by a company that claimed to be an insurance broker that could get cheap car insurance on behalf of its clients. Mr K contacted the company. After an exchange of messages, it told him it had found a policy that was suitable for him for £300. Unfortunately, Mr K wasn't in touch with a genuine insurance broker, but a fraudster.

It told him that, in addition to the £300 premium, he needed to pay various admin fees and charges. He made four payments to the accounts of named individuals. The total value of those payments was £490. When Mr K didn't receive his policy documents, he attempted to contact the broker. He couldn't do so and so he decided he must have fallen victim to a scam.

He complained to Barclays, but it didn't agree to refund him. Mr K was unhappy with that and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. Mr K wasn't happy with that response and so the complaint has been passed to me to consider and come to a final decision.

## **Findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. It's common ground that Mr K authorised these payments and so he is presumed liable at first instance.

However, that's not the end of the story. Barclays was a signatory to the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code). Under the CRM Code, firms are expected to refund customers who fall victim to scams, except where an exception applies.

In this instance, Barclays looks to rely on an exception in the Code. Specifically, it says that Mr K made the payment without a reasonable basis for believing that the business he was paying was legitimate.

I accept that Mr K did sincerely believe he was paying a genuine broker to find him a new insurance policy. However, based on the evidence that I've seen, I don't think that belief was a reasonable one. I'm mindful of the fact that I don't have a great deal of evidence to consider here. Mr K hasn't been able to provide anything to show the communications he had with the fraudster so it's hard to know exactly how things were explained to him.

Nonetheless, from what he's told us, he didn't carry out any checks on the company he believed he was paying. He simply took their advert on social media at face value.

I'm also surprised that he didn't have any concerns about making the payments to private individuals, rather than an account in the name of the broker. As far as I can see, the fraudsters didn't provide an explanation to him as to why it was necessary to pay in this way and Mr K doesn't appear to have asked for clarification.

I also have to look at Mr K's actions in context. He had fallen victim to several scams in the months prior to this one. The features of those scams overlapped with this one. He accepts that Barclays did speak to him about steps he could take to protect himself from fraud and scams in the future. But given how recently he'd been the victim of fraud, I'm surprised he wasn't more careful in his interactions with this company.

I've also considered whether Barclays did everything it needed to do to meet the standards for firms set out in the CRM Code. It needed to be on the lookout for account activity or payments that are suspicious or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, it should provide the customer with a warning against the risks of proceeding.

We now know with the benefit of hindsight that Mr K had been targeted by a scam. However, the question I must consider is whether that risk ought to have been apparent to Barclays given what it knew at the time. Unfortunately, I'm not persuaded that it would've had any reasonable grounds to think that Mr K would be at risk of a scam. The value of the payments weren't high enough to justify an intervention by the bank and there weren't any other factors that might have suggested a fraud risk. Overall, I don't think Barclays did anything wrong in not providing a warning to Mr K when he made these payments.

I don't say any of this to downplay the fact that Mr K has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself in. However, my role is to look at the actions and inactions of the bank and I'm satisfied that it has acted fairly in declining to refund Mr K in this instance.

### **Final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 25 June 2025.

James Kimmitt  
**Ombudsman**