

The complaint

Mr P complains that Barclays Bank UK PLC ('Barclays') won't reimburse him in full after he says he was the victim of a scam.

What happened

Mr P says that he is a community leader who is often approached to secure services, including legal services, for vulnerable members of the community. He saw a poster in a shop window and reached out to someone I'll refer to as M in this decision. M said he was a solicitor who could help Mr P submit applications to change visa categories for a number of individuals Mr P was supporting. Mr P was told he'd need to make payment to a holding company I'll refer to as S. Initially Mr P made payments for three people but says he verbally agreed to use M's services in respect of further applications.

I have set out in the table below the payments Mr P made to S. Each time the people Mr P was supporting credited his account before Mr P transferred funds to S.

Transaction	Date	Amount
1	01/06/23	£2,000
2	02/06/23	£3,000
3	05/06/23	£4,000
4	15/06/23	£3,000
5	27/06/23	£1,500
6	04/07/23	£3,000
7	19/07/23	£4,000
8	21/07/23	£4,000
9	11/08/23	£3,000
Total		£27,500

Mr P says that M didn't provide the expected service, moved offices, and cut contact with him. He reported what had happened to Barclays in October 2023.

Barclays initially refunded 50% of Mr P's loss as it said the transactions were out of character. It later said Mr P had a civil dispute with M.

Mr P didn't agree with Barclays' response and brought a complaint to this service. He said he has been deceived and should be reimbursed in full.

Our investigation so far

The investigator who considered this complaint noted that the loss wasn't Mr P's, as the funds that were lost came from the students Mr P was helping. She joined them to the

complaint and established from each one of them that Mr P had reimbursed them 50% of their loss when Barclays refunded 50% of the loss.

The investigator went on to consider Mr P's complaint but didn't recommend that it be upheld. She noted that there was very limited evidence to confirm why the payments were made to S. But, even if she were to say the payments were for visa purposes, she couldn't fairly conclude that the purpose Mr P and M had at the time the payments were made differed. And, whilst the payments were unusual given the normal operation of Mr P's account, if Barclays had intervened when they were made it wouldn't have been concerned. In the circumstances, Mr P had already received more than the investigator would recommend.

Mr P didn't agree with the investigator's findings. In summary, he said:

- The investigator concluded funds were used for the intended purpose, but they weren't, as M didn't pay the Home Office or complete applications. Mr P said M never had any intention of providing the service agreed and questioned how it was possible for her to determine M's intention when she hadn't met him.
- The investigator said it was a civil matter but how does he take this forward if M used a fake name and can't be traced?
- M issued an invoice to Mr P for £27,500 – the exact amount Mr P paid to M.
- He believes there are other victims, and the receiving bank would be aware of them, so it can't be a civil matter.

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, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

It's important to note that I am not deciding a dispute between Mr P and M. My role is limited to deciding the dispute between Mr P and Barclays. So, I need to decide whether Barclays acted fairly when concluding that this amounted to a civil dispute.

It isn't in dispute that Mr P authorised the payments that left his account. The starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transactions.

Barclays is a signatory to the voluntary Contingent Reimbursement Model Code (CRM Code), so I have considered if it should reimburse Mr P under it.

Is Mr P entitled to a refund under the CRM Code?

Barclays has signed up to the CRM Code, which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams, in all but a limited number of circumstances.

The CRM Code does not apply to private civil disputes, for example where a customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

The CRM Code defines an APP scam as, "where the customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent". So, the CRM Code isn't a general protection for customers against non-receipt of goods or services.

To decide whether the circumstances under which Mr P made his payments meet the definition of an APP scam, I need to consider:

- The purpose of the payments and whether Mr P thought this purpose was legitimate.
- The purpose the recipient had in mind at the time of the payments and whether this was broadly in line with what Mr P understood the purpose to be.
- And, if I decide there was a significant difference in these purposes, whether I'm satisfied that was as a result of dishonest deception.

Mr P says he was making payments in respect of visa applications for students in the community.

There is very limited information to confirm what was agreed between Mr P and M. Mr P has provided a copy of a poster by a recruitment company from which he says he got M's number, a small number of screenshots of the messages he and M exchanged, M's business card showing he was an international lawyer, and an invoice. The advert and the invoice show the name of one company (which seems to be involved in recruitment) and the business card refers to a different company. Neither of these companies are the one Mr P paid. On Companies House, the company Mr P paid is involved in retail sale.

The messages between Mr P and M refer to payments and one of them says that M has received six 'COS', which could be certificates of sponsorships, with ten more in the pipeline and suggests he and Mr P meet. The invoice includes the names of three of the people Mr P says he was helping and a cost of £7,000 next to each, but this number has been crossed out and £6,000 has been handwritten next to it. It also shows payment dates that don't match the dates Mr P made payments. The invoice gives no indication of the services that are being provided and doesn't suggest that Mr P was being asked to pay for legal services.

Given the lack of information, and the points I have raised above, I can't fairly determine what Mr P made the payments for, meaning that I can't conclude it's more likely than not payments weren't used for the intended purpose. This means I can't conclude Mr P is the victim of an APP scam as defined in the CRM Code.

It might be worth explaining that even if I was persuaded that Mr P was the victim of an APP scam, I wouldn't be asking Barclays to do anything more, as it has already refunded 50% of Mr P's loss. I think Barclays could fairly rely on the reasonable basis for belief exception to reimbursement in this case.

Mr P says he was using M's services as a solicitor but the only evidence that M was a solicitor comes from a business card that said this. A solicitor wouldn't send the kind of messages M did via a messaging app, and would clearly communicate the service they were providing. Mr P also made multiple payments over more than two months without receiving any documents or evidence that M was doing the work expected. And Mr P says that M called him to advise how he should make the payments to avoid them being blocked, which should have raised alarm bells.

Is there any other reason I can ask Barclays to reimburse Mr P?

I've thought about whether Barclays could've prevented Mr P's loss when he made the payments.

Barclays should be on the lookout for, and protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. When potential fraud is identified, I would expect Barclays to intervene and attempt to prevent losses for the customer.

I consider there was a point at which Barclays ought reasonably to have recognised unusual activity on Mr P's account and intervened to ask questions to be satisfied he wasn't at risk of financial harm. But even if I was persuaded that such intervention would have prevented Mr P from making further payments, I'd still have to consider the legal principle of contributory negligence. For the reasons I have mentioned above in respect of Mr P's reasonable basis for belief, I'm satisfied that Barclays has already reimbursed Mr P the amount I would award if I was satisfied that it would have prevented Mr P from making any further payments.

Overall, I can't fairly ask Barclays to do anything more.

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 P to accept or reject my decision before 17 March 2025.

Jay Hadfield
Ombudsman