

The complaint

Miss A complains that Barclays hasn't fully refunded her for money she lost when she was the victim of a scam.

What happened

Miss A holds an account with Barclays. In December 2023, she met someone on a dating app. I'll refer to that person as S.

Miss A says she met S in person several times. They were dating. At the end of January 2024, S told Miss A he had a car dealership and said he had a car she would like.

Miss A says the car he suggested was an Audi RS6 in red. She says S showed her what appeared to be a car dealership website. He said he'd get her paperwork for the vehicle later.

She arranged to make payment by bank transfer to what she was told was the car dealership's business bank account.

When Miss A first attempted to make a payment, it wasn't successful. The amount was over the daily limit Barclays allowed to be made to a new payee through the mobile banking app.

So Miss A spoke to Barclays by phone, and asked if the payment could be made through the bank's telephone banking service. During this call, the call-handler said he needed to ask some questions about the payment. He said this was to help protect her from fraud or a scam. He asked what the purpose of the payment was. Miss A explained she was purchasing a car, an Audi, and was due to pick it up this week.

She was asked if she had seen the vehicle, and Miss A said she had. Miss A was then asked if anyone was forcing her to make the payment, which she said was not the case.

After the call, Miss A made successful payments to the dealership's account totalling £34,000. Due to account limits these payments were made over the course of two days, on 31 January and 1 February 2024.

Between these payments, a second call between Barclays and Miss A took place. In this call Miss A was again asked about the payments and told the bank in response to its queries that she'd visited the dealership in person and wanted to make the payments.

However, after she'd made the payments, S started to give excuses about the car and documentation. Ultimately Miss A didn't receive the car, and while S said he'd refund her, he never did so.

Miss A reported what had happened to her bank.

This type of scam is what is known as an Authorised Push Payment scam (an APP scam). At the time of the payments, Barclays was signed up to a voluntary scam reimbursement scheme known as the Contingent Reimbursement Model Code (the CRM Code).

Under the terms of the CRM Code, banks are required to refund APP scam victims unless one of a limited number of exceptions apply. Barclays initially declined to refund Miss A, but when she disagreed, the bank said it would refund half of what she'd lost. It said it could have done more to protect her, but that she'd not taken steps in response to red flags that should have caused her concern about the payments she was making.

Miss A didn't agree and referred her complaint to this service for review.

Our Investigator looked into everything. She discussed what had happened with Miss A and asked Miss A if she had any further information about the car that S was selling, or any messages from the time that gave more information about the car and the purchase. Miss A explained she no longer had access to the messages from the time, only having screenshots of messages from S asking her to withdraw her scam report to unfreeze the dealership's account.

Having looked over all the information available to her, the Investigator said that she didn't think Barclays needed to refund more than it already had. The Investigator noted that around a month after the scam had occurred Miss A had undergone an operation and been prescribed medication. She noted that Barclays hadn't handled the scam claim or Miss A's complaint as well as it should have, and that Miss A's circumstances had led to this poor service having an even greater impact on her at the time. However, the Investigator thought that Barclays had paid Miss A a fair amount of compensation for the additional distress and inconvenience it had caused her.

Miss A didn't agree so I have been asked to make a final decision on her complaint.

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 have considerable sympathy for Miss A and what has happened to her. She was the victim of a cruel and cynical scam. This was a crime, and Miss A is the innocent victim, losing a significant sum of money. She has detailed the circumstances she was in at the time of the crime including her health conditions, and the considerable impact the scam subsequently had on her. I do not underestimate this and have taken everything she's explained into account.

However, while I have natural sympathy for Miss A in what happened, I have to recognise that the principal cause of her losses here was the criminal scammer. I cannot hold Barclays liable for the resulting financial losses unless I find the bank was somehow at fault in what happened, and that the loss was a direct consequence of that fault.

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 and the terms and conditions of the customer's account.

The payments Miss A made were 'authorised payments' even though Miss A now knows she was the victim of a scam – Miss A made the payments herself. So, under the Payment Services Regulations 2017, and the terms and conditions of her account, Miss A is presumed liable for the ultimate loss in the first instance.

As noted above, where a payment was made as the result of an APP Scam, then the voluntary CRM Code provides additional protection and can require the reimbursement of customers.

But despite offering additional protections, the CRM Code also includes provisions allowing a firm not to fully refund APP scam losses in some situations. Relevant here, this includes an exception to full reimbursement where the customer made a payment without a reasonable basis for believing that the person the customer was dealing with was legitimate, offering something genuine in return for the payment (so, the car), or that the payee was the person the customer was expecting to pay.

Barclays says this exception applies here. It says Miss A made these payments without holding a reasonable basis for believing that S was genuinely selling the car he said he was. That means Barclays doesn't need to fully reimburse Miss A, and the bank accepted a 50% share of the loss. acknowledging it could have done more to protect her.

Because Barclays has accepted it was at fault in relation to the payments, and because the extent of any such fault does not determine the redress due under the terms of the CRM Code, the key issue remaining for me to decide is whether Barclays has fairly applied the exception to full reimbursement in Miss A's case.

I've carefully considered the information submitted by Miss A. I appreciate she no longer has some of the messages from the time. Based on what I can have been able to review, and what Miss A has said, S didn't provide her with many details about the car he said he was selling her. That's backed up by one of the messages Miss A does still have between Miss A and S. In this message she comments to S that he'd told her previously he'd get her *"a red Audi and told me to tell the banks, and you mentioned you would get the paper work after a few days, I had no proof of paper work and heard nothing from you"*.

It seems then that Miss A made the payments she did based on very little information about the car at the time (expecting S to provide this later). But this was a very large sum of money to send without having seen the supposed car in person or knowing the details of it. Miss A hadn't test-driven it, inspected it. She couldn't carry out any checks on the car without its registration details.

And even if the car existed there might have been significant issues with it – for example it could have outstanding finance, mechanical issues or an excessively high mileage.

Miss A was putting a lot of faith in S, despite having only known him for little over a month at that point. That being said, she's explained she did trust him at the time. She'd met him several times in person and been on dates with him. She had no reason to doubt him when he told her he had a car dealership. She explains what she'd seen seemed to match what he'd told her he did. Miss A says when she later tried to look for S's company on Companies House it wasn't listed. But she hadn't known this when she made the payments.

Barclays did ask Miss A about the car specifically asking if she had *"seen it and are ok with it"*. She said 'yes'. Barclays wasn't given the correct picture of what was happening, and I think this hindered the bank from suggesting some steps Miss A could take – such as at least seeing the vehicle in person before paying – given she'd said she already had done so.

Miss A explains she'd been prompted about what to tell the bank by S. Again, I appreciate that at the time, Miss A had believed she was in a relationship with S, and she trusted him. But I think being asked to mislead her bank should have prompted Miss A to question why S was telling her to do that. If this was a legitimate purchase, there would be no reason not to just tell the bank the true circumstances. That would have included the fact that Miss A hadn't seen the car in person (and then potentially that she had very few details of the car she was trying to buy).

In a second call on 1 February, Miss A reiterated that a payment she had attempted that day was for the purchase of a vehicle. But she said she'd changed her mind and didn't want to buy the Audi anymore. She said she'd visited the dealership and was looking at other cars there. She said she'd been given the payee's bank details by the dealership when she'd been there in person. When she was asked what had led her to choose that particular dealership, Miss A said it was purely price. Miss A has since explained that once again all of these details were a story she'd been told to tell Barclays by S.

In short then, Miss A was sending a very large sum of money to pay for a car she knew very little about and hadn't seen or inspected. She was being told what to tell her bank about the transaction without any obvious justification for this. While she trusted S, I can't say that Barclays is wrong to have said she made these payments without a reasonable basis for believing she was paying for a genuine car. In the circumstances there was very little for her to have based that belief on (in particular, relative to other factors here, such as being asked to give the bank incorrect answers to its questions).

On that basis, I'm satisfied Barclays can fairly rely on the relevant exception to full reimbursement under the CRM Code. The bank is therefore not required to reimburse more than the 50% it has already paid Miss A.

The CRM Code does not represent the full extent of the relevant obligations or good industry practice but exists to provide additional protection where it is relevant. Nonetheless, I have also considered whether there is any reason that Miss A might be entitled to greater reimbursement outside the provisions of the CRM Code.

As part of my review, I've also considered if there are any alternative scenarios that might change what I think the fair outcome should be. In particular, I note that Miss A mentions feeling that she was being pressured by S into making the payment.

Given what she says, it's possible she appreciated at the time that S wasn't asking for the money for a legitimate purpose, and instead she was making the payment under duress rather than through choice. In that scenario though, the payment would have been the result of the duress rather than a result of a deception.

The CRM Code only applies to APP scams, requiring that the payment was made as a consequence of dishonest deception. In that scenario the possible protections of the CRM Code would not apply to Miss A's payments. But I could only find Barclays at fault for carrying out such a payment instruction given under duress if I thought that the duress should have been apparent to Barclays at the time based on what the bank could reasonably have known.

And while I have listened carefully to the phone calls from the time, where Miss A was questioned about the payment requests she'd made, I simply don't think there was anything that would have alerted Barclays to the possibility of duress. When the bank asked Miss A if she was making the payments of her own free will she said she was. There wasn't anything in the calls that might have contradicted what Miss A said about this. I don't consider Miss A sounded either nervous, concerned or as though she might be acting against her own will.

There was nothing to indicate that the transaction was other than it appeared on the surface. I don't think Barclays missed anything here.

Similarly, I don't think there was enough here to find Barclays should necessarily have identified that the payments being made might be the result of an APP scam. When it spoke to Miss A, the answers she gave would have reassured the bank that she was making the payment for a car she'd seen from a car dealership she'd visited in person. While that wasn't accurate, I don't find Barclays would have been able to identify this at the time.

In short, I don't find Barclays was at fault for carrying out the payment instructions Miss A gave it.

However, I don't find Barclays is liable to reimburse Miss A to a greater extent than it has already done under the CRM Code. I find that a 50% share of the loss is fair and reasonable in all the circumstances and Barclays has already paid her this sum.

In particular, I don't think Barclays would have been able to recover Miss A's funds from the account she'd paid. By the time the scam was reported to Barclays, the money had almost entirely been moved on. So even though Barclays tried to recover Miss A's money from the beneficiary bank straightaway, her money had been moved on and lost. Unfortunately, it's not uncommon for a scam to involve the rapid onward movement of funds to frustrate any possible recovery attempt, as seems to have happened here.

I've also reviewed Barclays' handling of Miss A's scam claim and her subsequent complaint. Barclays accepts this wasn't handled as well as it could have been. Given Miss A had undergone a traumatic event in the scam itself, and the deception by S, she was understandably extremely upset. On top of that she was about to undergo a medical procedure at the time she was liaising with Barclays about her claim.

With these factors and the wider circumstances Miss A describes, Barclays' handling of the matter had a greater impact on her than it would have otherwise. Of course, that impact can't now be changed or removed, those events have already happened. I can however consider what I think would be a fair monetary award in recognition of the additional distress and inconvenience caused to Miss A by Barclays' handling of the matter.

In thinking about that I need to consider that the party who caused the majority of the distress here was the scammer who deceived Miss A. I can't fairly hold Barclays responsible for that – I have to focus on what Barclays did or didn't do. So I've carefully considered the records available to me about this, and carefully reviewed everything Miss A has submitted.

With all that taken into account, I think the amount Barclays has already paid Miss A is in line with the amount I'd have awarded myself in similar circumstances. I think that it is a fair award in the circumstances, although I appreciate Miss A would like me to award more.

Overall, I don't require Barclays to pay Miss A more than it already has paid her.

I understand this is not the answer Miss A is looking for. She has undergone a terrible experience as a result of this crime. She's explained at length about the impact all of this had on her, and how it still is having significant effects. But I cannot punish the person responsible – the criminal scammer. That is something that only the police have the powers to do. I can only look into what Barclays did, and whether it needed to refund more than it already has. And while I sympathise with Miss A, I cannot fairly require Barclays to do more than it has already done.

My final decision

For the reasons given above, I do not uphold Miss A's complaint about Barclays Bank UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 11 July 2025.

Stephen Dickie
Ombudsman