

The complaint

Mrs C complains that Barclays Bank UK PLC did not fully reimburse all the funds she lost to a scam.

What happened

Mrs C fell victim to a scam between 2019 and 2022. She says she was contacted by someone online who claimed to be a member of a secret society who had a job opportunity for her. The job would entail Mrs C working for a foreign government, but she had to pay up front for her visa and travel costs. The job offer fell through eventually, but Mrs C remained in contact with an individual from the secret society, who fell into difficulties due to information he held about the foreign government. Mrs C went on to send the individual money via transfers from her Barclays account which went into various accounts, as well as payments made from her PayPal account, which she credited via her Barclays debit card.

Eventually, the individual became threatening to Mrs C when she had no more money to give him. She realised she had been the victim of a scam and raised a scam claim with Barclays. After some time, Barclays issued a final response letter on 31 July 2023 in which they explained Mrs C had contacted them on 27 April 2020 to tell them that she believed she was being scammed. Because of this, they felt they should have taken action and provided a scam warning to her so agreed to reimburse the payments from that date onwards. But they also felt Mrs C should share liability for the loss, as she continued to make payments to the scam after this point despite having concerns. So, they reduced the reimbursement by 50% to account for this.

Barclays provided a total refund of £30,918.02, along with compensatory interest at 8% simple totalling £1,938.09. They deducted tax at 20% on the interest paid totalling £387.61, making the net interest paid £1,550.48. They also gave her £200 compensation for the time taken to look into the complaint.

Mrs C referred the complaint to our service as she was unclear what the breakdown of the transactions was that Barclays had refunded. And she felt Barclays had taken too long to look into her complaint. She also felt Barclays did not adequately work alongside PayPal to clarify the transactions involved in the scam leading to further losses on her side.

Our Investigator looked into the complaint and felt that what Barclays had done so far to remedy the complaint was fair. This is because they did not think Mrs C had a reasonable basis to believe the individual that she was dealing with was legitimate, as the job offer as a whole was not believable. So, they felt it was fair that the reimbursement be reduced by 50% to account for this. And they felt the offer of compensation was reasonable.

Mrs C disagreed with the findings, for largely the same reasons as to why she brought the complaint in the first place. She highlighted the medical issues she had been facing over the last few years and she wanted to see what Barclays had relied upon when looking into the complaint.

As an informal agreement could not be reached, the complaint has been passed to me for a

final decision.

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.

Mrs C has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service and as our rules allow, I will focus here on the points I find to be material to the outcome of this complaint. This is not meant to be a discourtesy to Mrs C, and I want to assure her that I have considered everything she has submitted carefully.

I am aware that Mrs C requested a breakdown of the transactions Barclays considered as part of the complaint, and I can see these have now been provided to her. As she has not queried these, I am satisfied that these form the basis of the complaint.

It isn't in dispute that Mrs C authorised the payments in question, which were made up of a mixture of bank transfers, direct debit and debit card payments, as well as credit card payments from separate providers which I won't be considering in this decision. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that she's liable for the transactions. But she says that she has been the victim of an authorised push payment (APP) scam.

Barclays has signed up to the voluntary Lending Standards Board's Contingent Reimbursement Model ("CRM") Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies from 28 May 2019 onwards and does not apply to card payments or direct debits. So, I will firstly consider the payments that fall under the CRM Code and will then look at the debit card payments Mrs C made to her PayPal account which do not fall under the protection of the Code.

As mentioned above, the starting point in law is that Mrs C is responsible for any payments she's authorised herself. But the CRM Code requires a firm to reimburse victims of APP scams that fall under its provisions, unless a firm can demonstrate that one of the exceptions to reimbursement apply. In this case, Barclays says they should have provided Mrs C with a scam warning when she contacted them on 24 April 2020 to let them know she had been the victim of a scam, so they agreed they had not met their obligations under the Code. However, they felt that Mrs C lacked a reasonable basis for believing that the person she was dealing with was legitimate so an exception to reimbursement applied.

I've firstly considered Barclays' obligations under the code, which was to provide an effective warning if there was an indication of an APP scam. The first payment covered by the code was a transfer in August 2020. I can see from the notes provided by Barclays that Mrs C contacted them on 24 April 2020 to let them know she had been forced to make payments on her account and had incurred a loss. It's unclear if these payments relate to the scam, but considering they occurred at the same time as the scam and the language of her being forced to make payments aligns with what she has said about the scammer, it is a possibility. I cannot see that Barclays provided a clear warning at this point as they should have done, or for any of the later payments. Because of this, I agree that Barclays did not meet their obligations and should reimburse Mrs C for the payments covered by the Code.

I've also considered if Barclays has fairly applied the exception to reimbursement under the code. I have therefore considered if Mrs C had a reasonable basis to believe the person she

was dealing with was legitimate. I do not have any evidence of the communications between Mrs C and the scammer, so I do not fully know how the relationship started. I have been able to review the job offer from the foreign government.

The job offer was dated 16 April 2020, had logos from a branch of the foreign government on it, and it read like a generic employment agreement. However, at the end it stated Mrs C had to pay \$6,999 for the initial visa processing. She was directed to make the payment to a personal account in the name of an individual. On balance, I think Mrs C could have seen this job offer as suspicious. Firstly, from what I can see, the basic processing cost for the visa should be around \$2,500 so I think the high cost of the processing fee could have been seen as unusual. In addition, I don't think it is reasonable to expect to pay a personal account for visa related costs, especially costs requested by a foreign government.

As mentioned previously, I do not have evidence of the communications between Mrs C and the scammers. However, Mrs C has said she was initially contacted by the secret society via social media, and this is how she was given the job offer. On balance, I think Mrs C should reasonably have had concerns about receiving cold job offers via social media, seemingly with no official interview or application process. When this is considered alongside the job offer, I don't think Mrs C had a reasonable basis to believe the job offer or the individual she was dealing with was legitimate.

I have also considered the reasons the individual gave for why they needed funds. He told Mrs C that he had secrets about the foreign government and his house had been taken as a result, so he was homeless and had medical bills he had to pay, as well as flights and hotels she needed to cover. I do appreciate Mrs C has said she tried to call hotels, hospitals and even the branch of the government he claimed to work for to check either his identity or where he was. Because of this, she feels she carried out her due diligence to check he was legitimate. But I don't agree with this reasoning. Each time Mrs C called these places, she got no confirmation of who he was or if anyone of that name was there. I appreciate she felt this was because he was using another fake alias, but each time she got no confirmation this individual even existed, and considering everything as a whole I don't think she had a reasonable basis to believe he was a legitimate individual. I therefore think Barclays has acted fairly when it applied the exception to reimbursement and reduced the redress by 50%.

I've also considered the payments that were not covered by the Code, these are the card payments and direct debits. I can see Barclays has also refunded 50% of these from 24 April 2020 onwards. While the Code does not apply, the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Barclays did enough to try to keep Mrs C's account safe.

In doing so, I have considered that a large number of the earlier payments from early 2019 to around August 2020 were not of a particularly high value and were relatively spaced out. So, I don't think they would have appeared unusual to Barclays when compared to Mrs C's genuine account activity. However, as mentioned above, on 24 April 2020, Mrs C told Barclays that she had been forced to make payments, and from what I've seen Barclays did not provide a relevant scam warning or ask probing questions about what had happened. I therefore think they missed an opportunity to meaningfully reveal the scam from that point onwards, and I therefore agree with their decision to reimburse the payments Mrs C made towards the scam from that date.

However, I also have to consider whether or not Mrs C should reasonably bear some responsibility for the losses as a result of any negligence in her actions and if it is therefore reasonable for Barclays to make a reduction in the award based on this. In doing so, I've considered whether Mrs C has acted as a reasonable person would to protect herself against the loss she suffered. The test is objective but needs to take account of the relevant circumstances.

I have also set out the reasons above why I do not think Mrs C had a reasonable basis to believe the job offer or the individual she was dealing with was legitimate. And I think the same reasons apply in this scenario to explain why I think Mrs C did not act as a reasonable person would to protect herself. She decided to carry on making payments following this suspicious job offer and on balance, I think it is therefore fair that Barclays reduced the reimbursement of the debit card payments by 50% to account for Mrs C's contribution to the loss.

Mrs C has mentioned some medical issues she has had over the years. Having reviewed these, I can see the majority of the letters provided are dated after the scam payments had ended. I've also considered the health issues Mrs C's daughter was going through, though again it is unclear exactly when this occurred in the timeline of the scam. I've considered whether these issues made Mrs C more susceptible to this specific scam. While I appreciate Mrs C would have been under some stress at the time knowing her daughter was unwell, I don't think this therefore made her more susceptible to this employment scam. So, I don't think Barclays needs to reimburse her because of this.

I can see Barclays has paid Mrs C £200 compensation for any inconvenience caused as a result of the delays in it assessing her claim. I can see she is also unhappy they did not work collaboratively with PayPal in order to cross reference the payments. It's clear this was frustrating for Mrs C, especially as there was a large amount of money involved in the scam. Some of these delays were caused by Barclays asking Mrs C to go directly to PayPal, but then being told by PayPal to go to Barclays first. Some of these delays were also caused by Barclays requesting copies of Mrs C's PayPal statements so they could cross reference the losses she had mentioned.

Having considered all of this, I think the £200 compensation already paid to Mrs C is in line with what I would have recommended in the circumstances. There were some avoidable delays here, but there were also some reasonable delays as a result of Barclays needing accurate information to fully assess the scam claim. So, I do not recommend that Barclays increase this amount.

I understand Mrs C's strength of feeling in regards to this complaint and I recognise that she has been the victim of a cruel and manipulative scam. But I think that what Barclays has done so far to remedy the complaint is fair in the circumstances, and in line with what I would have recommended had the complaint come to me with no previous payment.

My final decision

I do not uphold Mrs C's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 18 April 2025.

Rebecca Norris

Ombudsman