

## **The complaint**

Mr L complains that Barclays Bank UK PLC did not reimburse the funds he lost to a scam.

## **What happened**

Mr L was looking to purchase a new van for work and found one online. He contacted the seller and agreed to pay a deposit of £1,000 on 7 September 2022 ahead of a viewing of the vehicle in a few days. He paid this via transfer from his Barclays account. The seller then said he had received a number of other offers for the van and asked if he could refund Mr L, as another buyer was happy to pay the full price immediately. In response to this, Mr L agreed to pay the full price of the van and collect it the following day. He made a further payment for £4,650 on 8 September 2022.

The following day, Mr L could no longer get in contact with the seller and he contacted Barclays. He said he may be the victim of a scam, but the call handler advised him to go and try to collect the vehicle as agreed before raising a scam claim. Mr L did the following day, but the vehicle was not there, so he called Barclays again to raise a scam claim. Barclays attempted to recover the funds from the beneficiary account, however no funds remained to be recovered.

Mr L raised a complaint against Barclays via a representative in March 2024. Barclays issued a final response letter on 3 April 2024 in which they explained no funds remained when they attempted to recover the money Mr L lost. They assessed the transactions under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code

and did not think they were liable to refund Mr L themselves. This is because they did not think he carried out appropriate checks about who he was paying before he made the payment.

The complaint was referred to our service and our Investigator looked into it. They felt that Barclays had met their obligation under the CRM Code as they did not think the transactions were out of character when compared to the genuine account activity. And they also felt an exception to reimbursement had been correctly applied by Barclays, as Mr L did not have a reasonable basis to believe the vehicle that he was purchasing was legitimate. However, they did think Barclays should have provided better customer service when Mr L first attempted to raise a scam claim and recommended £200 compensation for the distress and inconvenience this caused.

Barclays accepted the findings, however Mr L did not. His representative highlighted similar vehicles for sale that were cheaper, so did not think the price of the vehicle was too good to be true. And they still felt an effective warning was warranted in the circumstances.

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.

The starting point under the relevant regulations and the terms of Mr L's account is that he is responsible for transactions he's carried out himself. However, Barclays are signatories to the CRM Code and, taking into account regulators' rules and guidance, codes of practice and what I consider to have been good industry practice at the time, should have been on the lookout for unusual and out of character transactions to protect its customers from (among other things) financial harm from fraud.

I've first considered whether Barclays should refund Mr L under the provisions of the CRM Code. Barclays seek to rely on two of the exceptions to reimbursement:

- Mr L ignored an 'Effective Warning'
- Mr L made the payments without a reasonable basis for believing that they were for genuine goods or services; and/or the seller was legitimate.

I have considered these in turn. Firstly, Barclays has said that Mr L ignored an effective warning that it provided when he made the payment of £4,650. So, it feels there is an exception to the full reimbursement.

Before considering whether this warning was effective, I have firstly considered if Barclays needed to provide an effective warning at all. I would expect them to do so where there is an authorised push payment ("APP") scam risk, meaning the transaction is unusual enough that there is a risk the account holder could be the victim of an APP scam. When considering this, I have compared the scam payments to the genuine account activity on his Barclays account.

I can see that Mr L had only had the account for around five months by the time he made the scam payments. It was opened with a large balance, and Mr L made some high value payments and transfers out of the account previously. Because of this, the scam payments did not look unusual or suspicious when compared with the earlier, genuine activity. In addition, the payments were spread out over two days, meaning they were not in quick succession, so I don't think the pattern of the payments was particularly suspicious. And I can see that there was a significant balance remaining following the transactions, meaning the account was not drained.

With all of this in mind, I do not think it was clear there was an APP scam risk at the time, and I therefore do not think Barclays was required to provide an effective warning under the CRM Code. So, I think they satisfied their obligations under the code.

What is left to consider is if it is fair for Barclays to apply an exception to reimbursement because Mr L did not have a reasonable basis to believe he was purchasing legitimate goods from a legitimate individual. Mr L's representative has said that it is clear Mr L believed he was purchasing legitimate goods or he would not have sent the funds, but that is not the test that needs to be applied. The question is whether Mr L has acted as a reasonable person would to try and protect himself from the scam in question and whether it was reasonable that he sent the funds to the individual.

When considering this, I have thought about what Mr L understood about the vehicle he was purchasing, as well as what steps he took to satisfy himself that the vehicle was genuine and that the individual selling it had possession of it. Mr L was given the price of £5,650 for the

vehicle, and after running a check of the registration, I can see that it was produced in 2017 and had done around 50,000 miles at the time it was being sold. Having done a comparison check for similar vehicles, the average price comes back at around £14,000, so significantly higher than what Mr L paid.

Mr L's representatives have highlighted vehicles they feel are similar that were selling for the same or lower than Mr L paid. However, these have all done double or triple the mileage of what Mr L was expecting to buy, so I don't think they are comparable. I appreciate Mr L says the seller accepted they had valued the vehicle too low, but I still think this was a red flag that something was not right.

Mr L only asked for the registration number of the vehicle after he made the full payment, which means he did not carry out any basic checks such as MOT history, ownership history or mileage prior to paying in full. He informed Barclays that the seller told him they bought the vehicle as new, but an online check showed the vehicle had been owned by three people previously. This therefore shows a basic check could have revealed inconsistencies in the seller's story and prevented payments from being made.

Finally, it is sometimes necessary to purchase a vehicle without seeing it beforehand. But where this is the case, I would expect a buyer to ask for evidence the individual has possession of the vehicle, such as a video or the logbook to show proof of ownership. But I cannot see from the communications with the scammer that Mr L asked for these.

Having carefully considered all of the evidence available to me, I think there were enough red flags about the vehicle that Mr L should have carried out checks on the vehicle to ensure the seller and the vehicle were legitimate, but I cannot see that he did this. Because of this, I do not think Mr L had a reasonable basis to think the van or the seller was legitimate, and I therefore think it was fair for Barclays to apply an exception to reimbursement.

I understand that this will be very disappointing for Mr L, and I want to acknowledge that he has been the victim of a cruel and manipulative scam. But I think that it was reasonable for Barclays to apply an exception to reimbursement, so I won't be asking it to refund any of the loss to him.

I do think that when Mr L first called Barclays on 9 September 2022, they should have raised a scam claim for him at that stage, but instead they advised him to wait another day and attempt to collect the vehicle. I have considered whether Mr L missed out on his funds being recovered because of this delay. However, after looking at the receiving bank statements, I can see his funds were removed from the account almost immediately after being deposited. So, I do not think any earlier intervention from Barclays could have resulted in the funds being recovered.

I agree with the Investigators recommendation of £200 compensation to account for this delay in a claim being raised, and I can see Barclays has accepted this.

### **My final decision**

I uphold this complaint in part.

I do not direct Barclays Bank UK PLC to reimburse the scam payments to Mr L.

Barclays Bank UK PLC should now pay Mr L the £200 compensation it has agreed to.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 July 2025.

Rebecca Norris  
**Ombudsman**