

The complaint

Miss R complains that Barclays Bank UK PLC ('Barclays') won't reimburse her in full after she fell victim to a scam.

What happened

What Miss R says

Miss R says that after searching for investments for a few months a social media page linked to a company I'll call D appeared in her feed. She didn't know at the time, but the information was posted by scammers using the name of a genuine company.

Miss R contacted the scammers via social media and was put in touch with a representative of D who kept in contact with her and explained the nature of the investment. The representative also provided Miss R with a fake bank statement. Miss R decided to invest. The scammer asked Miss R for further funds citing additional investment opportunities, fees and taxes. I have set out in the table below the transactions Miss R made on the advice of the scammer.

| Transaction | Date | Amount | Payee |
|--------------|----------|---------------|--------------|
| 1 | 14/10/22 | £545 | Individual 1 |
| 2 | 14/10/22 | £1,000 | Individual 2 |
| 3 | 14/10/22 | £410 | Individual 1 |
| 4 | 15/10/22 | £200 | Individual 3 |
| 5 | 15/10/22 | £300 | Individual 3 |
| 6 | 15/10/22 | £300 | Individual 3 |
| 7 | 15/10/22 | £500 | Individual 4 |
| 8 | 15/10/22 | £300 | Individual 3 |
| 9 | 15/10/22 | £400 | Individual 3 |
| 10 | 15/10/22 | £250 | Individual 4 |
| 11 | 15/10/22 | £250 | Individual 3 |
| 12 | 15/10/22 | £350 | Individual 3 |
| 13 | 15/10/22 | £350 | Individual 3 |
| Total | | £5,155 | |

Miss R realised she was the victim of a scam when she was unable to withdraw her funds, and the scammers cut contact with her. She reported what had happened to Barclays.

Barclays initially reimbursed 50% of payment ten only, but after a later review Barclays reimbursed 50% of payment six onwards.

Miss R instructed a professional representative to issue a letter of complaint in July 2024. Miss R said she was vulnerable due to her mental health and other factors when the payments were made, and that Barclays didn't do enough to protect her.

Miss R was unhappy with Barclays' response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that Barclays do anything more. He said that Barclays could fairly rely on an exception to reimbursement set out in the CRM Code and had met its standards, as it asked questions based on the payment reason Miss R chose. The investigator also said that Barclays had acted promptly to try to recover Miss R's funds but hadn't been successful.

Miss R didn't agree with the investigator's findings. Through her representative, she said that Barclays should also have reimbursed 50% of the first five payments given its failure to intervene effectively when they were made. Miss R went on to say that if Barclays had asked her about these transactions the scam would have been uncovered.

After reviewing the complaint, I noted that Miss R's representative said she was vulnerable at the time of the scam because of her mental health and over-indebtedness. I asked Miss R for further information. Miss R said she was having therapy once or twice a week and she was in debt as a family member was out of work and in poor health. I asked for some evidence, but Miss R said she didn't feel comfortable sharing details of her therapy and nothing more was provided.

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.

When thinking about what is fair and reasonable in this case, I've considered whether Barclays should have reimbursed Miss R under the provisions of the CRM Code and whether it ought to have done more to protect her from the possibility of financial harm from fraud.

The CRM Code says that a customer who was vulnerable when they made an Authorised Push Payment ('APP') scam payment should receive a full refund of that payment, regardless of any exceptions set out in it. The CRM Code states that:

"A Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered."

Whilst it's possible that Miss R was vulnerable to the extent that she was unable to protect herself from the scam she fell victim to, I currently don't have enough information to say it's more likely than not this was the case. I'm aware that Miss R was receiving therapy, but I have no understanding of the impact of her condition on her decision-making and whether it rendered her unable to protect herself. I also understand that Miss R was experiencing financial difficulties, but I'm not persuaded that she has demonstrated she meets the CRM Code definition of vulnerable.

I turn now to consider the other provisions of the CRM Code, which says that a bank may choose not to reimburse a customer if it can establish that:

- The customer made payments without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for

genuine goods or services; and/or the person or business with whom they transacted was legitimate

- The customer ignored an 'effective warning' by failing to take appropriate steps in response to that warning.

There are further exceptions outlined in the CRM Code that do not apply to this case.

Did Miss R have a reasonable basis for belief?

Taking into account all of the circumstances of this case, including the characteristics of Miss R and the complexity of the scam, I think Barclays can fairly rely on an exception to reimbursement set out in the CRM Code. Miss R has provided very limited evidence to support her claim. She says that this was because they distressed her. But based on what I have seen, I'm not satisfied that Miss R had a reasonable basis for believing the payment was for genuine services and will explain why.

- The information that persuaded Miss R that D was legitimate was provided by the scammer and included a link to the website and videos of people saying D had helped them to make money. I can't see that Miss R completed independent research.
- Miss R says she thought she was dealing with a large company (D). I haven't seen anything to link the scammer to D.
- A genuine investment company would provide documentation in the form of an application and contract at least. Miss R wasn't provided with any.
- Miss R was advised to pay the accounts of various individuals. She told Barclays when she reported the scam that they were members of the accounts team. Her representative has explained that Miss R was told it would be easier to identify her payments in this way. I consider she ought reasonably to have had concerns and taken additional steps to verify what she was being told.
- I'm not persuaded a genuine investment company would advise a customer to mislead their bank about the purpose of a payment so that it would go through more quickly as Miss R says the scammers did in this case. This ought to have been a serious red flag that something was amiss.
- Miss R hasn't provided any information about the rate of return she was offered. I can see that Miss R was told on 15 October 2022 that she needed to pay tax of £6,500 to release over £27,000. This is a huge increase in a very short timescale and suggests Miss R was promised an unrealistic rate of return.
- From the limited evidence I have seen the scammer's interactions with Miss R weren't professional or what I would expect from a genuine company.

Should Barclays have provided effective warnings or intervened?

The CRM Code also sets out standards that firms are required to meet. Where these are not met, the firm may still be liable to reimburse a victim in part, even where it has been able to establish that an exception to full reimbursement can be fairly applied (as is the case here). Those requirements include the provision of what the Code defines as an "Effective Warning" when a firm identifies an APP scam risk in relation to a payment.

The CRM Code requires that warnings be both specific to the scam risk identified and impactful – to positively affect a customer's decision-making in such a way that the likelihood of an APP scam succeeding is reduced. The CRM Code goes on to say this should include steps to ensure that the customer can reasonably understand the consequences of continuing with an irrevocable payment.

I'm not persuaded that Barclays ought reasonably to have identified an APP scam risk when Miss R made payments one to five. The value of each transaction was relatively low, and I'm

not persuaded Barclays ought to have been concerned about a heightened risk the payments related to a scam. This means that under the CRM Code, Barclays met its standards in respect of these transactions and isn't responsible for them.

But I think the position was different when Miss R made payment six. By this stage a concerning pattern of payments had emerged. Miss R had made multiple payments to new payees over a two-day period that was out of character given the usual operation of the account. I think that Barclays should have provided her with a warning based on the payment reason given when this payment was made. I note Miss R later gave an incorrect payment reason so it may be that Barclays would have been prevented from providing an effective warning. In any event, Barclays has already refunded 50% of this payment and those that were made after it. In the circumstances, I can't fairly ask it to do anything more.

I've also considered whether Barclays did enough to identify out of character transactions that might indicate Miss R was falling victim to a scam. In this case Barclays called Miss R about payment two and asked her some questions about it. Whilst I recognise Miss R was likely being coached, she told Barclays that it was a genuine payment and that she was repaying a friend money she owed. I consider Barclays' intervention was proportionate and that it had no reason to know Miss R wasn't being honest.

Barclays attempted to recover Miss R's funds but was unsuccessful. Given that the scam was reported five days after the last payment was made it was unlikely that funds would remain, as scammers usually move them on rapidly.

Overall, whilst I am sorry to hear about Miss R's loss, I think Barclays has acted fairly in reimbursing 50% of her loss from payment 6 onwards.

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 Miss R to accept or reject my decision before 3 September 2025.

Jay Hadfield
Ombudsman