

Complaint

Miss Y is unhappy that Barclays Bank UK PLC didn't refund her after she reported falling victim to a scam.

Background

Miss Y had enquired about joining the waiting list for social housing in her local area. In May 2023, she came across a profile on a social media platform operated by a business. This business said it could help find her a home that was suitable for her needs. In June 2023, she was told the company could help her, but she needed to provide some personal details and make a payment of £3,500. Once she had done this, she was reassured that she could expect to be offered a choice of properties within 4-8 weeks. Unfortunately, she wasn't dealing with a legitimate business, but a fraudster.

She used her Barclays account to make 2 payments of £2,000 and £1,500 respectively. These payments were made to an account in the name of a private individual. However, she didn't hear anything further within the expected timeframe. When she chased up her application, she received no response. At that point, Miss Y concluded that it was likely she'd fallen victim to a scam.

She notified Barclays, but it didn't agree to refund her losses. She wasn't happy with that response and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. Miss Y didn't agree with the Investigator's view and so the complaint has been passed to me to consider and come to a final decision.

Findings

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 in law is that a bank is generally expected to process payments that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. It's common ground that these payments were authorised and so Miss Y is presumed liable at first instance. However, that isn't necessarily the end of the matter. At the time of the payments, Barclays was a signatory to the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code). Under the CRM Code, firms are expected to reimburse customers who fall victim to authorised push payment (APP) scams, except in a limited range of circumstances.

Broadly summarised, the CRM Code allows a firm to not reimburse its customer if it can show that:

- The customer made the payment without a reasonable basis for believing that the person or business with whom they transacted was legitimate; or
- The customer ignored an effective warning in relation to the payment being made

I accept that Miss Y genuinely believed she was paying for a legitimate service that would help her secure accommodation suited to her needs. However, I'm not persuaded that this belief was reasonable, and I'll explain why.

I've reviewed the messages she exchanged with the fraudster. These show she had at least a basic understanding of the process for applying for and being allocated social housing. She told the scammer that her local authority had advised her the wait would be at least two years. She also asked whether she would need an interview and what further information she would need to provide. Given this, the fraudster's claim that they could bypass the usual bureaucracy and find her a property within eight weeks is something she should have treated with far greater scepticism.

I also think she should have been more concerned about being asked to make a payment into the bank account of a private individual rather than a company account. From what I can see, she carried out no checks to confirm she was dealing with a legitimate business. Considering these factors, she ought to have taken far more care before proceeding.

Miss Y has argued, via her representatives, that she was vulnerable at the time she fell victim to the scam. That's significant because, where a customer is found to be vulnerable, the bank should not rely on the exceptions to reimbursement that are set out above. The CRM Code says that a customer should be considered vulnerable 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."*

Miss Y's representatives have explained that she had recently experienced a bereavement and the breakdown of a relationship. I appreciate the impact those events may have had and I note that she desperately wanted to find suitable housing for her and her family. However, her exchanges with the scammer suggest she was still able to think carefully about what she was being told. She asked several questions that indicated she had some doubts. To me, it seems likely that she chose to proceed with the payment out of hope, rather than because her vulnerability made her unable to assess the situation critically.

The CRM Code also sets standards that banks must meet. Barclays was expected to watch for payments that might look suspicious and, if it spotted one (or reasonably should have), give the customer a clear warning. In this case, I don't think Barclays had any reason to suspect either payment was linked to fraud. Although the amounts were higher than Miss Y's usual transactions, they weren't large enough to justify the bank stepping in or providing a warning.

I've also considered whether Barclays did everything I'd have expected in terms of recovering Miss Y's money from the receiving bank i.e., the bank that operated the fraudster's account. I can't see that it made contact with the receiving bank and request that her funds be returned. However, I'm mindful of the fact that fraudsters aim to move on victims' funds as swiftly as possible. There was a significant delay between Miss Y making the payment and the scam being reported and so I think there was little realistic prospect of any of her funds remaining in the receiving account by that point.

I don't say any of this to diminish the fact that Miss Y was the victim of a cruel scam, and I have every sympathy for what she's been through. However, my role is to assess whether the bank acted in line with its obligations under the CRM Code. Having reviewed the evidence, I'm satisfied that Barclays considered her claim fairly and responded appropriately.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 8 January 2026.

James Kimmitt

Ombudsman