

The complaint

Mr R complains that Barclays Bank UK PLC (“Barclays”) won’t refund £1,501 which he says he lost to an insurance scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything in detail again here. However, in summary, Mr R says he fell victim to a vehicle insurance scam.

Mr R had recently purchased a car and was looking to insure it. His son arranged an insurance policy for him. However, he was later contacted by an ex-employee of his who told him they’d taken out insurance with a company who would be able to insure the car for a lower cost. Mr R then cancelled the policy his son had arranged for him and arranged another policy over the telephone with the company recommended by his ex-employee.

On 11 January 2024, Mr R made two faster payments to a personal account, one for £1 and one for £1,500. He found out some months later, when he had an accident in the vehicle in question, that the vehicle had not been insured as he had been told.

Believing he had been the victim of a scam, Mr R then contacted his bank, Barclays, and he asked if it could do anything to get his money back or offer him a refund.

Barclays declined to offer Mr R a refund. It said it had contacted Mr R to discuss the second payment but when questioned, Mr R hadn’t been truthful about the real reason for it. This meant that Barclays hadn’t been able to provide Mr R with an effective scam warning at the time. Barclays went on to say that it had also reached out to the bank that had received Mr R’s funds, but unfortunately no funds remained in the receiving account for recovery.

Unhappy with Barclays’ response, Mr R brought his complaint to this service.

One of our investigators looked into things but they didn’t uphold the complaint. Our investigator said Mr R hadn’t provided any evidence to support that a scam had taken place. But even if Mr R had been able to provide the evidence required, they still didn’t think the complaint was one they could uphold.

Mr R disagreed with the investigators opinion and as an agreement could not be reached, the complaint was 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.

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 have been good industry practice at the time.

Having reviewed all the evidence provided to me, I agree with the outcome reached by our investigator, for largely the same reasons. I haven't seen sufficient evidence of Mr R having been the victim of a scam and even if further evidence had been provided, overall, I'm satisfied Barclays has treated Mr R fairly and that this isn't a complaint that I could fairly and reasonably uphold. I'll explain why in more detail below.

As part of their investigation, our investigator asked Mr R to provide this service with evidence that he'd been the victim of an APP scam. This is included any documentation or correspondence shared between him and the scammer and / or evidence of any conversations that took place between Mr R and his ex-employee in regard to the insurance. Mr R's representatives have said Mr R isn't able to provide any of the evidence requested, as no documentation was provided to Mr R by the scam company and any conversations that had taken place with his ex-employee were verbal. Mr R hasn't been able to send us any further evidence to support that he has been the victim of an insurance scam. This means I have no evidence to connect the two payments that left Mr R's account to the purchase of an insurance policy or anything to show Mr R was tricked into making these payments.

I acknowledge what Mr R's representative has said about Mr R not being able to provide the evidence required in this case for legitimate reasons. But, generally, in cases such as this, I would expect to see some evidence of the conversations that took place to arrange the insurance and without this, I cannot link the payments that left Mr R's account to a scam.

So, overall, Mr R hasn't been able to demonstrate through contemporaneous evidence that the two payments now in question here were made as the result of a scam. So, taking into account the very limited information I have available to me, there simply isn't enough for me to fairly and reasonably say Barclays should refund Mr R the amount he says he lost now.

For completeness, however, I've also gone to think about whether Barclays should've offered Mr R a refund under the Lending Standards Board Contingent Reimbursement Model Code (the CRM Code) or whether it could have done anything else to protect Mr R at the time the payments in question were made. I don't intend to go into detail on this because, because as I've said above, I haven't seen enough evidence to persuade me that the payments in question were made as the result of a scam. So, it is suffice to say that even if I did have enough evidence to say Mr R had been the victim of a scam, I still don't think it would be reasonable to uphold this complaint. I agree with the investigator, who addressed Mr R's points in detail, that the outcome reached by Barclays is reasonable.

Did Mr R have a reasonable basis for belief?

I agree that the concerns Barclays raised about the reasonableness of Mr R's basis of belief are enough to support its position that it doesn't need to provide Mr R with a refund under the CRM Code. I say this because:

- It doesn't appear that Mr R took any steps to verify that the company recommended to him was legitimate.
- Mr R hadn't been provided with any paperwork relating to the insurance policy he was taking out before agreeing to make payment for it.
- Mr R was asked to pay a personal account rather than a business account.

- The person Mr R was speaking with asked him to lie to his bank to ensure the payment went through which no legitimate financial business would do.

Did Barclays meet its obligations under the Code?

I also don't think it would be reasonable to say Barclays didn't meet its obligations under the Code. I'm not persuaded the first payment of £1 was significant enough to have warranted intervention and I'm not persuaded that the second payment was particularly suspicious either. However, Barclays did contact Mr R to discuss the payment with him before it was allowed to leave his account. During this conversation, Mr R expressed the need for a translator and one was arranged to conduct the call to ensure that Mr R understood the questions he was being asked.

When Mr R made Payment 2, Barclays asked him to input a reason for the payment. Mr R chose making a payment to "friends and family" rather than indicating that he was paying for an insurance policy and when Barclays contacted him via telephone, he explained, via the translator, that he was making a payment to a friend who needed help / a loan. He said he had spoken to his friend directly to obtain the account details he needed to send the money to and that he had confirmed with his friend that the initial £1 payment had been received. He also confirmed that no one had contacted him and asked him to lie to the bank about the real reason for the payment. Mr R didn't mention anything about insurance at all. And I think this reasonably impacted Barclays' ability to give a relevant effective scam warning. There wasn't anything else about the payment that would've sufficiently indicated to Barclays that the payment was being made as a result of an insurance scam. And the bank can only give a warning based on the scam risk it could've reasonably identified at the time. So, I don't think it would be reasonable to say that in this particular case, Barclays should've identified that Mr R was about to fall victim to an insurance scam and that it failed to provide Mr R with an effective scam warning.

I've taken into account Mr C's representative's arguments that the payment was so unusual and out of character that it should've prompted Barclays to decline to make the payment straightaway but I don't agree. This was relatively modest one-off payment Mr R had indicated he was making to a friend rather than to purchase an insurance policy. On the face of it, given Mr R's answers, it was reasonable for Barclays to assume that the payment was genuine. There wasn't anything about what Mr R had told Barclays that ought to have caused concern and I don't agree that any slight variances in the interpretation of what was being said now means Mr R was vulnerable. I've listened to a recording of the conversation Mr R had with Barclays on the telephone and it's clear that he understood the questions being asked of him, often answering them before they had been translated. So, I'm not satisfied that this particular payment would've looked so suspicious to Barclays at the time that it would've warranted a more in-depth intervention than the one that took place or that the payment should not have been processed at Mr R's request or that Mr R should now be considered vulnerable under the CRM Code.

In summary

Based on the very limited evidence available to me, I'm not persuaded it would be fair and reasonable to hold Barclays liable for the money Mr R says he lost in these circumstances. I'm not persuaded Barclays has acted unreasonably in declining Mr R's complaint under the CRM Code or that it could've done anything else to protect Mr R at the time the payment was made either. So, I won't be directing Barclays to take any further action.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 January 2026.

Emly Hanley Hayes
Ombudsman