

## The complaint

Mr P complains that Barclays Bank UK PLC won't refund the money he lost when he was the victim of a scam.

## What happened

The details of this complaint are well-known to both parties, so I have just summarised some of the key events below.

In 2018, Mr P was looking to raise funds to help his business so posted an appeal for support on its website. He then received an offer of funds from an inheritance abroad. And after communicating with those involved, including being sent a number of documents and having several face-to-face meetings, Mr P made a number of payments and cash withdrawals from his accounts for expenses he was told were involved in paying some of the inheritance to him.

Mr P made a number of cash withdrawals and payments from his Barclays accounts between January 2019 and March 2022, to several different account details he was given by the people involved. **I've set out the payments Mr P made on the attached spreadsheet.**

Unfortunately, we now know the inheritance was a scam. After the scam was uncovered, Mr P reported the payments he had made to Barclays and asked it to refund the money he had lost. Barclays investigated but said Mr P had reported the scam to it sometime earlier but had then continued making payments towards it, and had given it incorrect information when it asked about some of the payments he had made. So it didn't think any intervention it could have carried out would have prevented him losing the money he did.

Mr P wasn't satisfied with Barclays' response, so referred a complaint to our service. I sent Mr P and Barclays a provisional decision on 23 May 2025, setting out why I intended to uphold the complaint in part. That provisional decision forms part of this final decision and is copied below:

*"Are the payments Mr P made covered by the CRM code?"*

*I've first considered whether the CRM code applies to all the payments Mr P has complained about here.*

*The Lending Standards Board (LSB)'s Contingent Reimbursement Model (the CRM code) is a voluntary code which Barclays has signed up to. It sets out a number of circumstances in which firms are required to reimburse customers who have been the victims of certain types of scam. But it only came into effect on 28 May 2019 – so doesn't cover payments made before this date. And it only covers transfers made between UK based accounts – so doesn't cover cash withdrawals, card payments or international payments.*

*Most of the payments Mr P has complained about here, as set out on the attached spreadsheet, were either cash withdrawals, card payments or international payments. So these payments aren't covered by the CRM code.*

Six of the payments Mr P has complained about, **highlighted in bold on the attached spreadsheet**, were made after 28 May 2019 and were transfers between UK based accounts. So I think these payments are covered by the CRM code.

The payments that are covered by the CRM code

As I explained above, the CRM code requires firms to reimburse customers who have been the victim of authorised push payment scams, like the one Mr P fell victim to, in all but a limited number of circumstances. And it is for the firm to establish that one of those exceptions to reimbursement applies.

The CRM code also requires firms to assess whether a customer was vulnerable to the APP scam they fell victim to at the time it occurred. The relevant sections state:

*“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.*

*This should be assessed on a case-by-case basis.*

*In these circumstances, the Customer should be reimbursed notwithstanding the provisions in R2(1), and whether or not the Firm had previously identified the Customer as vulnerable.*

*Factors to consider include:*

- a) All Customers can be vulnerable to APP scams and vulnerability is dynamic. The reasons for dynamics of vulnerability may include: the personal circumstances of the Customer; the timing and nature of the APP scam itself; the capacity the Customer had to protect themselves; and the impact of the APP scam on that Customer.*
- b) A Customer’s personal circumstances which lead to vulnerability are varied, may be temporary or permanent, and may vary in severity over time.*
- c) APP scams may include long-running APP scams or in the moment APP scams.*
- d) The capacity of a Customer to protect themselves includes their knowledge, skills and capability in engaging with financial services and systems, and the effectiveness of tools made available to them by Firms.*
- e) The impact of the APP scam includes the extent to which the Customer is disproportionately affected by the APP scam, both financially and non-financially.”*

*Mr P has told us he has a number of medical conditions, and personal circumstances, which were affecting him at the time he fell victim to this scam.*

*He’s sent us a number of letters from his doctors, covering the time before and during which these payments were made, which explain how his conditions significantly affected his mental and physical health.*

*Mr P has also sent us evidence of his financial circumstances at the time, and explained that the serious financial pressure he was under at the time was causing him significant stress and left him exposed to scammers offering him the chance to improve his financial position.*

*I don't think it's necessary for me to set out the specifics of Mr P's medical conditions and personal circumstances any further, as Barclays has previously been made aware of them. But I'm satisfied they had a significant and severe impact on both his mental and physical health, and that they were affecting him when the scam occurred.*

*So I think Mr P was vulnerable and susceptible to this type of scam. I think his perception of the possible risks involved and the steps he could take to address them was significantly and adversely affected by his circumstances at the time.*

*I appreciate that Barclays has said Mr P gave it various different explanations for the purpose of payments he was making during this scam, which suggests he had put thought into how to deceive it and his decision making wasn't impaired. But I don't think Mr P's ability to provide cover stories for the payments necessarily means that his perception of risk wasn't effected. I think it is possible, and was the case here, that a consumer can fail to accurately perceive the risks involved but then mislead a business to avoid a different risk they have perceived.*

*I therefore still think Mr P meets the definition of vulnerable from the CRM code, as I don't think it would be reasonable to expect him to have protected himself against this particular scam. And so I think he should be reimbursed in full, regardless of whether any of the exceptions to reimbursement from the code might apply.*

*Barclays should therefore refund the money Mr P lost as a result of this scam from the payments which are covered by the CRM code, in full.*

*As I think Barclays should have accepted Mr P's claim and refunded these payments under the CRM code, I think it would be fair for it to pay interest on this refund from the date it initially rejected his claim, until the date of settlement.*

#### *The payments that aren't covered by the CRM code*

*As I explained above, the remaining payments Mr P made were either cash withdrawals, card payments or international payments and so aren't covered by the CRM code. And Mr P accepts he made these payments himself. So while I recognise that he didn't intend for the money to go to scammers, he did authorise these payments. And so the starting position is that he is liable for the payments and Barclays doesn't have to refund them.*

*Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I think Barclays should fairly and reasonably:*

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.*
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

*So I've also considered whether Barclays should have identified that Mr P was potentially at risk of fraud as a result of these payments, or otherwise done more to protect him.*

*But even if Barclays had identified that Mr P was potentially at risk of fraud as a result of some of these payments, I don't think the action I would have expected it to take would have prevented his loss. I'll explain why below.*

*I'm satisfied Barclays ought to have recognised that Mr P was at heightened risk of financial harm from fraud as a result of a number of the payments he made here. Mr P made a number of international payments and cash withdrawals of significant amounts, and often in quick succession – which is a pattern of behaviour often seen when customers are falling victim to a scam.*

*I think a proportionate response to the risk I think Barclays should have identified would have been for it to carry out some sort of human intervention with Mr P. I think it should have spoken to him, in person, and asked in-depth and probing questions about the purpose and circumstances of the payments he was making in an effort to establish the circumstances surrounding them before allowing them to debit his account. But, even if it had done this, I'm not satisfied it would have prevented Mr P's loss.*

*Barclays' records show that it spoke to Mr P in person about these payments a number of times, either in branch or over the phone. But Mr P gave it a number of different explanations for why he was making the payments, which now appear to be false – including that he was purchasing medals and antiques which he collects.*

*So even if Barclays had asked more probing and in-depth questions about the payments he was making here, I think Mr P would likely not have given it accurate or complete information about the purpose or circumstances surrounding them – as happened with the questions he was asked. And so I don't think Barclays would have had any concerns about the payments following the questions I would have expected it to ask.*

*Barclays' records also show it discussed the possibility of scams with Mr P several times during the conversations it had about these payments, but that he still wanted to make the payments.*

*At one point during the scam, Mr P reported to Barclays that some of these payments were made as a result of a scam. But he then asked that Barclays stop the recalls on the payments it had started, saying that they were done in error and that there was no problem with the payments.*

*During a previous complaint with our service in early 2020, Mr P was also asked about some of these payments, but told our investigator at the time that they were for a church and were not part of a scam.*

*And following this previous complaint, Barclays closed Mr P's accounts. But he then opened accounts with a different bank and continued making payments towards this scam from those new accounts.*

*And so, even if Barclays had identified concerns about the payments Mr P was making and warned him that it thought he was likely the victim of a scam, I'm not satisfied the type of warning I would have expected it to provide would have impacted Mr P's decision making or stopped him from continuing to make the payments. As Mr P continued to make payments to the scam after initially reporting it as a scam, after our service queried the payments, and after Barclays closed his account, I'm not satisfied any action I would reasonably have expected Barclays to take at the time would have prevented him making the payments.*

*Mr P has said he only asked Barclays to stop the recalls after receiving a number of threats from the scammers. And I appreciate that this will have been an awful experience for him, and I think it's completely understandable that he felt he had no choice but ask for the recalls to be stopped and to continue making the payments. But unfortunately, I think this only reinforces that he would likely not have given Barclays accurate or complete information about the circumstances surrounding the payments and would still have wanted them to be made – even if Barclays had asked more probing questions and given a clearer and more impactful warning.*

*I also recognise Mr P has said that the bank he opened the new account with ultimately blocked his use of his debit card, and that this led to him not sending any further payments as part of this scam. He feels that Barclays should have taken similar action, particularly after it was made aware of his vulnerability and his previous reporting of the scam, and that this could have prevented any further payments.*

*But while I accept that Mr P was vulnerable (as I've explained above) even once it was made aware of this, I wouldn't have expected Barclays to take significantly different action than the action I've explained above. And while another bank ultimately chose to block the use of his debit card, I don't think it would be fair to say that Barclays had acted unreasonably in not doing this. I think the questioning and warning I set out above would still have been a proportionate response to the risk I think it should have identified – particularly given the information I've explained I think Mr P would likely given it about the payments when asked.*

*So I still don't think the action I would have expected Barclays to take would have prevented the loss Mr P suffered from these payments.*

*Mr P has said another bank he sent payments to this scam from has agreed to refund some of the money he lost. But I don't think this necessarily means Barclays should also have to refund him. And, for the reasons I've explained above, I don't think it would be fair to require Barclays to refund any of the payments Mr P made that aren't covered by the CRM code.*

*I appreciate that Mr P has been the victim of a cruel scam and that my decision in relation to these payments will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at Barclays' responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected Barclays to have done would have prevented the loss he suffered from these payments not covered by the CRM code. And so I don't think it would be fair to require Barclays to refund the money Mr P has lost from them.*

#### *Barclays' secure email system*

*Mr P has also complained that, when he tried to reply to an email Barclays had sent him as part of this complaint, he was required to grant Barclays access to all the files on his computer. He feels this is a serious breach of security.*

*But it is not the role of this service to determine whether any data protection rules have been breached. And I've not seen any evidence that Mr P was caused any loss or inconvenience by this on a level to warrant an award of compensation. And so I don't think it would be fair to require Barclays to pay any compensation as a result of this."*

*I said I'd consider anything further Mr P and Barclays submitted following the provisional 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.

Barclays accepted the outcome from the provisional decision. Mr P asked that Barclays be required to refund all the payments he had made, in full, and made a number of arguments which I will address below.

Firstly, Mr P referred to a number of pieces of banking guidance or codes of conduct that he feels show Barclays should have taken more action than it did to protect him from financial harm from fraud. And I can assure Mr P that I considered all the relevant law, regulators rules and guidance, codes of practice – including the BSI code of practice, the banking protocol and the FCA's guidance on fair treatment of vulnerable customers he mentioned – and what I consider to have been good industry practice at the time when coming to my decision.

But, as I explained in my provisional decision and while I accept that he was vulnerable at the time, I still think the questioning and warning I set out would have been a proportionate response to the risk I think Barclays should have identified – particularly given the information I've explained I think Mr P would've likely given it about the payments when asked.

And even if Barclays had gone further than this and invoked the banking protocol and placed restrictions on his account as Mr P has suggested, given the misleading information he gave both to it and our service in response to the questions he was asked and that he continued making payments after previously reporting other payments as a scam and from an account with a different bank after Barclays closed his accounts, I don't think it's likely that any of this action would have prevented him making the payments or losing the money he did.

I appreciate Mr P says restrictions the other bank put in place ultimately stopped the payments he was making, but the scam was at a different stage when the other bank put these restrictions in place. And as Mr P gave both Barclays and our service misleading information about the payments and continued making payments towards the scam after previously reporting it to Barclays, I think the evidence suggests that he would have continued making payments towards the scam at this time – regardless of the action Barclays had taken.

Mr P also mentioned that our service had said that there was no record of Barclays asking him questions about payments he made during a previous complaint he made. But that complaint was about different payments to the payments this complaint is about, and I can't comment in this decision on any issues dealt with in another complaint. I can also assure Mr P that I've seen evidence from Barclays' records of it speaking to him in person about the payments relating to this complaint a number of times, either in branch or over the phone.

Mr P also suggested that the principles of vulnerability from the CRM code should be applied to all the payments he made. But I don't think it would be fair to require Barclays to meet the standards from the CRM code in relation to payments that it doesn't apply to.

Finally, Mr P said that the payments made from the Barclays account held in his name, trading as his business, should be included in this complaint – rather than in the complaint brought by his business. So I have now included the payments from this account as part of this complaint and on the attached spreadsheet – although it does not affect the outcome of this complaint, as the same reasoning as the payments not covered by the CRM code also

applies to the cash withdrawals from this trading account, and so I don't think it would be fair to require Barclays to refund them.

And so I still think the conclusions I came to in the provisional decision are correct, and for the same reasons. I still think Mr P meets the definition of vulnerable from the CRM code, and so Barclays should refund the money Mr P lost as a result of this scam from the payments which are covered by the CRM code, in full. But I don't think anything I would reasonably have expected Barclays to have done would have prevented the loss he suffered from the payments not covered by the CRM code, and so I don't think it would be fair to require Barclays to refund the money Mr P has lost from them.

### **My final decision**

For the reasons set out above, I uphold this complaint in part and require Barclays Bank UK PLC to:

- Refund Mr P the money he lost as a result of this scam, from the payments covered by the CRM code – totalling £27,457.96
- Pay Mr P 8% simple interest on this refund, from the date it initially responded to his claim until the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 August 2025.

Alan Millward  
**Ombudsman**