The launch of the Contingent Reimbursement Model (CRM) Voluntary Code (the Code) on the 28th May marks a major improvement in consumers’ protection against the impact of scams, and demonstrates how the private sector, supported by policy makers and consumer representatives, can collaborate to solve issues at a societal level.

Importantly, the Code ensures that customers of participating firms will be fully reimbursed if they fall victim to a scam, subject to their having met certain standards of self-protection. This represents a material step forward in protecting customers and reimbursing those who have been victims of this criminal activity. Barclays played an important role in the creation of the code, and we firmly welcome its launch.

However, more needs to be done. The Code provides a means by which the financial detriment of being “scammed” can be offset; but the emotional distress that comes with being scammed (and is often more significant) can only be reduced by helping people avoid scams altogether. While there are clear responsibilities on banks and financial services firms to detect and prevent criminal activity, scams very rarely originate within payments channels. Rather, they will often start and progress through various digital technology platforms. To materially reduce the number of consumers becoming victims of scams, broader and cross-sectoral collaboration is required from all organisations in the “scams ecosystem” – banks, telecommunications firms, social media platforms, dating websites, and many more - to prevent criminals from even reaching a customer in the first place.

We recognise that this is part of a broader challenge with which society is currently struggling. Whilst technology is making many things easier, faster and simpler, it also creates new vulnerabilities that require collective action to mitigate. For example, digitalisation and technology have transformed the financial ecosystem, enabling new digital firms to enter the market offering bank-like products and services to consumers, but without the same levels of consumer protection that banks would provide. This is bewildering for consumers, many of whom are completely unaware of the reduced level of protection and the greater risks to which they are exposed.

As technology transforms how we live our lives, it is vital that policymakers ensure consumer protections remain appropriate and fit for purpose in a digital age. This will be no easy task, and will require support and leadership from policymakers across many areas. However, it is crucial not only to prevent financial and emotional harm, but also to demonstrate what collaborative and customer-focused policy making can achieve.

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