

The complaint

Miss F complains that Barclays Bank UK Plc won't refund money she lost when she was a victim of an investment scam.

Miss F is represented by a firm I'll refer to as 'C'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Miss F made the following payments from her Barclay's account to a firm, which I'll refer to as 'H', as part of a property investment:

Date	Transaction type	Amount
2 March 2021	Fund transfer	£20,000
7 March 2022	Fund transfer	£1,600
7 March 2022	Fund transfer	£1,600
	Total	£23,200

Miss F has provided screenshots of her chat conversation with H setting out the investment options available to her at the point of the initial investment. She's also provided a loan agreement that shows a guaranteed return of 19% was to be paid in one year's time.

The chat conversation shows H contacted Miss F in February 2022 and that she agreed to keep her initial capital and profits invested, along with putting a further £3,200 in – although no further contracts or loan agreements have been provided to our service.

Miss F raised a scam claim with Barclays, but they said it was a dispute between her and the seller of the goods/services. And so, they recommended Miss F raise the dispute directly with the payee.

C complained, on Miss F's behalf, to Barclays on 13 November 2023 saying the payments were made as part of a scam. In short, they said:

- Miss F came across the investment opportunity via social media, finding H's website to be incredibly professional. She wasn't however aware of the spoofing techniques scammers could use to convince their victims of being a genuine company.
- Miss F only realised she'd been scammed when, in 2023, after the investment contract(s) ended, she contacted H regarding the withdrawal of funds and they

stopped corresponding with her.

- Barclays failed to intervene before processing any of the payments, despite them being highly unusual.
- Barclays failed to protect Miss F from the scam, and the payments should be refunded under the Contingent Reimbursement Model (CRM) code.
- To settle the complaint, Miss F would accept a full reimbursement, 8% interest and £300 compensation.

Barclays rejected the complaint. They said they'd requested information from C but that, as it wasn't received, they couldn't provide an outcome due to insufficient information and evidence. This meant, at this stage, they were unable to assist any further until the questions asked were satisfied as they hadn't been able to evidence the loss directly.

The complaint was referred to the Financial Ombudsman. Our Investigator didn't think Barclays had to do anything further. She considered the complaint concerned a civil dispute rather than a scam based on the evidence available. And because of this, the payments weren't covered under the CRM code.

C disagreed and so the matter has been passed to me to decide.

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, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an Authorised Push Payment (APP) scam (except in limited circumstances). But the CRM Code is quite explicit that it doesn't apply to all push payments. It says:

"This Code does not apply to: (b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

So, the CRM Code isn't a general protection for consumers. Instead, it only applies in very specific circumstances – where the customer has been the victim of a scam. In order for me to conclude that Miss F has been the victim of a scam, I'd have to be satisfied that H deliberately tricked Miss F into making payments for services they had no intention of providing at the time she made her payments. I'm not persuaded I can say that is most likely what happened here, and I will explain why:

- Miss F has provided a copy of the loan agreement for the £20,000 payment, and parts of a chat conversation with H. The chat conversation however doesn't provide any indication of a request of funds being requested by Miss F, or that such a request was declined or ignored by H.
- H contacted Miss F in February 2022 regarding her £20,000 investment, setting out the options available to her. This included repaying the capital and interest or, alternatively, reinvesting the capital with or without the interest included. From the

chat conversation it appears that H didn't seek further investment but rather, Miss F put forward her interest in doing so. It seems unlikely that H would've presented the option of returning all Miss F's funds at that time if it was scam.

- While now dissolved, H was an active registered company on Companies House at the time. And although I note C's point that H doesn't have any accounts published since 2020, this doesn't mean it is a scam (or that they had no intention of providing the services Miss F paid for – which again, I should note, hasn't been shown to have happened).
- I've been unable to find any information online suggesting H is a scam.

Overall, I'm not persuaded that it's been sufficiently demonstrated that Miss F made these payments as part of a scam. And so, I consider Barclays acted fairly in concluding that Miss F has a civil dispute with H which is not covered by the CRM Code.

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 Miss F to accept or reject my decision before 10 March 2025.

Daniel O'Dell
Ombudsman