

## **The complaint**

Miss N complains that Barclays Bank UK PLC (“Barclays”) didn’t do enough to protect her when she made two payments towards an investment opportunity in 2021 which she now believes was a scam.

Miss N is being represented by solicitors in this complaint.

## **What happened**

In July 2020, Miss N contacted Barclays about payments she’d made to a firm “E” in 2019. She said she’d fallen victim to an investment scam. Miss N told the bank that she’d been in contact with E, who claimed to be a regulated broker, since 2016-2017 and first invested in 2018. But in 2020, she was informed all her funds were lost due to the investment market crash following the Covid-19 pandemic. Miss N had also discovered that E wasn’t regulated, and she’d been told it was under investigation for embezzlement and fraud. Barclays declined Miss N’s scam claim and said it considered this to be a private buyer/seller dispute. Miss N complained but Barclays didn’t uphold her complaint.

In August 2021, Miss N contacted Barclays once more and reported two payments made to E - £1,000 in March 2021 and £10,000 in July 2021 – as scam-related. According to the bank’s records from the time, Miss N said everything was going well until she received an email telling her that E was seeking professional assistance. Barclays declined the claim as it deemed the matter to be a civil dispute between the parties involved. In 2024, the bank received a complaint about the outcome reached. It said that although E went into liquidation in February 2022, there’s no evidence it intended to scam Miss N.

Our investigator explained that only Miss N’s complaint about the disputed payments made in 2019 was out of time and so our service could only consider her concerns about the two payments in 2021. Miss N’s representative accepted this. The investigator went on to conclude that there was insufficient evidence E was operating a scam, therefore they weren’t persuaded that Miss N had lost money to a scam.

Miss N’s representative disagreed and asked for an ombudsman’s decision on the matter. It argued that under the Lending Standards Board’s Contingent Reimbursement Model Code (“CRM Code”), Miss N wasn’t required to prove that there was an authorised push payment scam. Instead, there was an identifiable scam risk which Barclays failed to act on. The investigator replied and said that the CRM Code doesn’t apply to private civil disputes, and this is what the matter on hand would be considered as given that they hadn’t found evidence of a scam.

As the matter couldn’t be resolved informally, Miss N’s case 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.

I recognise Miss N's representative feels strongly that Miss N was scammed, and Barclays ought to have intervened or reimbursed her under the CRM Code. But very little information has been provided about why it is alleged that E was operating a scam. I've carefully reviewed Miss N's representative's submissions, but like the investigator I've not seen sufficient evidence to persuade me that E was set up with the intention to defraud customers. I say this because –

- Having paid particular attention to the official organisations that publish warnings about fraudulent merchants operating in the UK and abroad, I can't see any regulator warnings being published about E prior to or since Miss N's payments.
- I've paid close attention to the website link Miss N's representative has provided in support of its stance that E was a scam. It is from a consultancy firm specialising in fraud investigations. The page, which was updated in July 2022, states that E is under investigation. I don't consider the provision of this information, which states that the firm is looking into the activities E as it believes their conduct constitutes fraud, is sufficient evidence to conclude that a scam has indeed occurred. I notice that in a separate document from the fraud investigation firm, which Miss N's representative has provided, it is stated that cases being considered aren't about proving fraud but about locating assets and the recovery of money.
- Miss N's representative has argued that Companies House information shows that E's accounts are overdue. But I don't consider this argument persuasive either. E ceased trading shortly after Miss N's payments, and it subsequently went into liquidation. Overdue accounts could be an indication of financial troubles, but they're not conclusive evidence that E was set up with the intention of defrauding its customers.
- I understand the point Miss N's representative is trying to make by highlighting the negative Trustpilot reviews posted about E. Most of these were posted after E ceased trading and they talk about customers not being able to withdraw their funds. It is understandable that customers who lost out in this way may regard E as fraudulent. But the inability to make withdrawals because a firm has stopped trading and gone into liquidation doesn't necessarily mean that a scam has taken place. It could also be indicative of a firm that was operating legitimately but which has since failed.
- Concerns have been raised about E claiming to be regulated when it wasn't. Miss N has forwarded some emails she received from E. The email disclaimer makes it clear that the entity her dealings were with wasn't regulated by the UK's financial services regulator. The disclaimer also states that it was licensed and regulated by an overseas organisation. While I accept that E may not have been regulated to offer its services in the UK at the time of Miss N's payments, this doesn't automatically mean that it was set up to scam customers. Indeed, Miss N continued making payments in 2021 despite becoming aware in July 2020 that E wasn't regulated in the UK.
- Miss N's representative has told us that she received returns of nearly £10,500 from E during the course of her investment. As the investigator has noted, and I agree, that while receiving returns can be a feature of Ponzi schemes, it is also a feature of genuine firms that subsequently fail.

In summary, while I accept that E ultimately failed to deliver what was expected from the investment, I haven't seen any clear evidence that this was always what it intended; or that at the time of Miss N's payments it planned to use her funds in a different way to what was agreed. So, having considered the evidence currently available, I can't fairly conclude that Miss N has been the victim of a scam. This also means that the CRM Code doesn't apply to her payments and so Barclays isn't required to reimburse her under the provisions of the Code.

I appreciate that Miss N is now in a position where she's lost out financially. But, for the reasons given, I don't consider her loss is the result of any failings by Barclays.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 18 July 2025.

Gagandeep Singh  
**Ombudsman**