

## **The complaint**

Mr H complains that Barclays Bank UK PLC did not refund a series of payments he says he lost to a scam.

## **What happened**

Mr H was introduced to an investment opportunity by a financial advisor in 2019. I will refer to the company as 'HS' for the purpose of this decision. HS had several different building projects they were providing investments for in the form of loan notes. Mr H agreed to take out a loan note and says he made a transfer of £50,000 on 23 August 2019, as well as a cheque for £25,000 on 25 October 2019. He says he received £3,100 in returns, but no more.

Mr H felt he had been the victim of an investment scam and that HS set out to defraud him. He raised a scam claim with Barclays in January 2024 who felt it was more likely this was a civil dispute between Mr H and HS, rather than a scam, and they didn't agree to reimburse him. As a result, he referred the complaint to our service.

Our Investigator looked into the complaint and firstly did not agree the £50,000 transfer on 23 August 2019 went to HS. Instead, it appeared to have been sent directly to Mr H's wife, so they did not include this payment in their assessment.

As the payment to HS was made via cheque, it was not covered by the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. But they considered whether it should have been flagged by Barclays for further checks. On balance, they did not think the payment was so unusual to warrant additional questions as Mr H had made similar payments in the months prior. And even if they were to agree further checks were needed, they did not think Barclays would have had concerns, as HS appeared to be a genuine company with a number of large-scale building projects completed around the country.

Mr H's representatives disagreed and provided a significant amount of information in response to the view. As an informal agreement could not be reached, the complaint has been 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.

It isn't in dispute that Mr H authorised the payments in question. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he is liable for the transactions. But he says that he has been the victim of an authorised push payment (APP) scam.

I have firstly considered what payments should be included in this decision. Mr H has mentioned a transfer of £50,000 on 23 August 2019, however the details of this payment show the recipient was his wife. This was set out by the Investigator and Mr H's

representative has not provided any additional evidence to show it should be included within this assessment. As a result, I have not considered it further.

I have therefore considered the cheque Mr H made to HS for £25,000 on 25 October 2019. It should be noted that the CRM Code does not cover every payment method. More specifically, it does not cover payments made by cheque. However, Barclays still had a duty to be on the lookout for unusual or suspicious transactions that may indicate Mr H was at risk of financial harm.

I've therefore considered the payment of £25,000 and whether Barclays should reasonably have flagged it for additional checks. I can see that Mr H had made two other cheques in the months prior to this payment being made, for similar amounts. I therefore think the payment type and general value of the payment was largely in line with the genuine account activity, so I would not have expected Barclays to carry out additional checks before processing it.

I have gone on to consider whether an intervention would have made a difference, for completeness, as I know Mr H's representatives dispute an intervention was not needed. Having done so, I have considered that Mr H was introduced to the investment by a financial adviser he had used previously. So, I think he found out about it from what appeared to be a trusted source.

In addition, I've seen evidence that three building projects were completed by HS. They had other projects ongoing, however these had to be sold to other developers after they entered into financial difficulty. On balance, I think this shows HS was a legitimate company involved in legitimate building projects, so I think it is unlikely that either Mr H or Barclays would have had concerns in 2019 that HS were not a legitimate company with a legitimate investment opportunity. With this in mind, I don't think any possible intervention would have prevented Mr H from making the payment to HS.

I therefore think Barclays acted reasonably when it treated this investment as a civil dispute and did not agree to reimburse Mr H. So, I do not think they need to take any further steps to remedy this complaint.

### **My final decision**

I do not uphold Mr H's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 April 2025.

Rebecca Norris  
**Ombudsman**