

## **The complaint**

Mrs W says that she fell victim to a scam. She wants Barclays Bank UK PLC to refund the money that she sent to one of its account holders.

Mrs W has also complained to her own bank which sent the payments. I have considered that complaint separately. This decision considers her complaint about Barclays only.

Mrs W has made her complaint with the help of a professional representative. For ease of reading, I'll mostly refer to Mrs W throughout my decision. I intend no discourtesy by taking this approach.

## **What happened**

The detailed background to this complaint is well known to both parties, so I'll provide an overview of some of the key events. Mrs W explains that she was told about an investment opportunity by a friend who referred her to a director of a wealth management company. Between 2017 and 2021, Mrs W followed the director's instructions and made a number of investments totalling £345,000. Between 2017 and 2023 Mrs W received some of her initial investments back, along with some interest payments. When these amounts are taken into account, Mrs W has received just over £47,000 less than she'd invested overall back. At the time Mrs W believed she was making the payments towards investments, but now she believes the director was operating a fraudulent ponzi scheme, paying returns from capital derived from new investors rather than from legitimate investment profits.

In June and July 2021, Mrs W made four payments of over £10,000 from her current account held with a different bank to an account held at Barclays. She says she didn't receive these amounts back and didn't receive the returns that she was promised.

Mrs W complained that Barclays had failed to protect her from fraud. She said Barclays had failed to properly verify its account holder, allowing a fraudster to be onboarded who then scammed her. She said the conduct of the account would have been concerning and that Barclays should have prevented her loss by stopping and questioning large payments being sent out of its customer's account. She wanted Barclays to refund her losses in relation to these four payments.

Barclays told Mrs W that the situation needed to be investigated by her own bank first. Unhappy with this, Mrs W referred her complaint to this service. Our Investigator didn't think we could consider all of Mrs W's complaint, and for what she could consider, she didn't recommend the complaint should be upheld.

Our Investigator highlighted that complaints about receiving banks and any acts or omissions came into our jurisdiction from 31 January 2019. As the bank account that received Mrs M's money was opened before that date, she was unable to investigate whether there had been any failings by Barclays when it opened the account.

In relation to the parts that she could consider, she explained that she didn't have sufficient evidence to conclude Mrs W had fallen victim to a scam. She said she wasn't as sure as she

needed to be that the wealth management company set out with an intent to defraud Mrs W, or that the company didn't invest Mrs W's money in the way that it said it was going to. As she was not persuaded there had been a fraud or scam, she concluded there was no basis for Barclays to have intervened in the operation of the recipient account or to have prevented Mrs W's funds from leaving it.

Mrs W disagreed and asked for the matter to be referred to an Ombudsman. She said she couldn't see how the bank had acted appropriately given the facts of the scam, highlighting the concerning nature of the transactions that she suspected were flowing into the account.

As no agreement could be reached, Mrs W's complaint has been referred to me.

### **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.

Both Mrs W's bank and Barclays are signed up to the Lending Standards Board's voluntary Contingent Reimbursement Model (the CRM Code). The CRM Code was implemented to reduce the occurrence of Authorised Push Payment (APP) scams. It sets out what is expected of the 'Sending Firm' when payments are made, and it also sets out the obligations for the 'Receiving Firm'.

In summary, the obligations for the receiving firm state that firms should:

- Take reasonable steps to prevent accounts from being used to launder the proceeds of Authorised Push Payment (APP) scams.
- Have procedures to prevent, detect and respond to the receipt of funds from APP scams; and
- Where the receiving firm identifies funds where there are concerns that they may be the proceeds of an APP scam, it should freeze the funds and respond in a timely manner.

Where there is a failing by either the Sending Firm or Receiving Firm, they may be required to reimburse the customer, and the customer may also be required to share some responsibility for the loss if it is determined that they also failed to meet their level of care under the CRM Code. The CRM Code provides additional protection for victims of APP scams, but it is not applicable to civil disputes.

With this in mind, I have considered Barclays' obligations here. Our Investigator said there was not enough evidence to show that the director took Mrs W's funds with the intention of defrauding her, so they thought it was more likely this is a civil dispute. Mrs W has provided what detail she can, but she has very little evidence of what was agreed as part of the investment. Mrs W hasn't provided any paperwork to show what was agreed in relation to this money that was paid into the Barclays account, and the messages Mrs W has provided from the time focus on the logistics of how Mrs W was going to make the payments and not the specifics of what each payment was for. She refers to "*the 6 monthly interest investment*", but this does not shed any light on how Mrs W's money was to be used or what specifically she thought she was investing in. I have not seen enough for me to agree that a scam has occurred. Taking everything into consideration, I don't find the evidence here sufficient for me to conclude this was most likely an APP scam.

This means the CRM code isn't a relevant consideration for this particular complaint because it does not apply to civil disputes, as I consider this situation to be. This means the

CRM Code can't be used as a basis upon which to tell Barclays it needs to do more.

Even if I were to accept that the situation was a scam, it still wouldn't automatically entitle Mrs W to reimbursement from Barclays. In circumstances such as these, where Barclays (in relation to the matter being complained about) do not have a contractual relationship with Mrs W, it wouldn't be fair to ask that it reimburse her losses unless it could fairly and reasonably be concluded that Barclays' act(s) and/or omission(s) would've made a material difference and were causal to, all or part of the losses.

Whilst Data Protection reasons mean I can't share any information about the Barclays' account with Mrs W, I don't think there was anything relating to the activity on the account that should have prompted Barclays to have any concerns prior to Mrs W making the payments to the account.

From what Barclays has shared, the recipient account was established (for a number of years) and operating without any concerns prior to the arrival of Mrs W's funds. I can't fairly say Barclays did anything wrong when crediting Mrs W's payments to the recipient account or in allowing the funds they represented to be paid away without taking any further action. I say this because against the backdrop of how the account was being operated; its general pattern of use; and the prior account activity – the arrival and paying away of Mrs W's funds wasn't particularly unusual or suspicious. So, I can't fairly conclude that Barclays acted unreasonably by not intervening prior to Mrs W's funds being paid away.

And, even if I'm wrong about this, from the evidence I've seen, the director had access to multiple accounts with different firms, either directly or through linked enterprises. Mrs W made payments to a number of different accounts over the years. So even if Barclays ought to have acted in relation to this particular account prior to Mrs W's funds arriving, I'm not persuaded she would have ended up in a meaningfully different position. I say this because, had Barclays blocked or closed the account, it's more likely than not, on balance, that Mrs W would have been directed to make payments to other accounts.

Barclays had not received any concerns or claims either before the disputed payments were made into the account or before the funds were paid away, so I'm not convinced Barclays could or should have reasonably identified and unearthed any adverse information about its customer at the material time.

I'm also mindful that it wasn't until 2023 (several years after the payments were made) that Mrs W informed Barclays that she believed the payments she'd sent to one of its customer's accounts were made as a result of an alleged scam. I'm satisfied that at that point there wasn't much more that Barclays could reasonably have done to assist in the recovery of Mrs W's funds from the recipient account.

I'm sorry to hear of the situation in which Mrs W finds herself in. Over £47,000 is a lot of money for anyone to lose, as well as the loss of opportunity to grow her capital to provide security for her future. But taking everything into consideration, I don't find the evidence here sufficient for me to conclude this was more likely than not an Authorised Push Payment scam, nor does the evidence persuade me it is more likely than not that Barclays failed to act upon something that would have resulted in the discovery of a scam or fraudulent intent.

If in the future, new material evidence comes to light which establishes this was an APP fraud, then Mrs W can ask Barclays to reconsider at that point. But as things stand, I don't think it's fair and reasonable to require Barclays to refund Mrs W.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 31 March 2025.

Claire Marsh  
**Ombudsman**