

The complaint

Mr S complains that Barclays Bank UK PLC (“Barclays”) didn’t refund him the money he lost, to what he believed to be an Authorised Push Payment (“APP”) investment scam.

What happened

The background to this complaint is well known to all parties, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

In 2019, Mr S was approached about an investment opportunity, which involved investing in a company, which I’ll refer to as “EP”, which said it was developing bespoke strains of drugs for medical and recreational use. Mr S understood that he would be investing in shares in the company and that there would be tax benefits.

Believing everything to be genuine, Mr S made the following payments to EP, totalling £5,000, from an account he held with Barclays;

25 June 2020	£1,000
29 June 2020	£2,000
10 September 2020	£1,000
9 October 2020	£1,000

Mr S received share certificates for the money he invested. In November 2020, Mr S told EP that he had an emergency and needed to opt for a buy back for some of the shares, following which, on 30 November 2020, £3,000 was returned to Mr S.

Mr S has said the last contact he had with EP was in 2022. He’s said he’s been unable to contact them and hasn’t received a refund for the remaining £2,000 that he sent, and believes what has happened is a scam.

Mr S complained to Barclays in August 2024. In summary, Barclays didn’t consider the payments had been made as part of a scam and that this was a civil matter.

Unhappy with Barclays’ response, Mr S brought his complaint to this service. One of our Investigators looked into things, but didn’t think the complaint should be upheld. In summary, she said she hadn’t seen sufficient evidence to say that this was a scam.

Our Investigator also didn’t think the payments would have stood out to Barclays, for it to have had doubts that they were being made as a result of fraud. And even if Barclays had intervened, and questioned Mr S about the payments, it was our Investigators opinion that this wouldn’t have made a difference and given Barclays any concerns.

Mr S didn’t agree with our Investigators view. As agreement couldn’t be reached, the complaint has now been passed over 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.

I've decided to not uphold this complaint for materially the same reasons as our Investigator.

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.

Barclays was a signatory to the Contingent Reimbursement Model ("CRM Code"). This is a scheme through which victims of scams could (in certain circumstances) receive reimbursement from the banks involved. 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 only applies if the definition of an APP scam, as set out in it, is met. I have considered whether Mr S's claim falls within the scope of the CRM Code, which defines an APP scam as:

...a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

To decide whether Mr S is the victim of an APP scam as defined in the CRM Code I have considered:

- The purpose of the payment and whether Mr S thought this purpose was legitimate.
- The purpose the recipient (EP) had in mind at the time of the payment, and whether this broadly aligned with what Mr S understood to have been the purpose of the payment.
- Whether there was a significant difference in these purposes, and if so, whether it could be said this was as a result of dishonest deception.

The available evidence doesn't lead me to believe that it's more likely than not that EP and Mr S had a different purpose in mind at the time the payments were made.

It's accepted Mr S's purpose for making the payments was to invest in EP and for the funds to be used towards the purchase of shares. And that he was persuaded at the time this was a legitimate venture. I accept that EP failed to deliver what was expected from the investment, but I haven't seen any clear evidence this was always what it intended; or that at the time of the payment, it planned to use Mr S's funds in a different way to what was agreed. I haven't seen persuasive evidence that EP's intention was to defraud Mr S when it took his funds.

The investment being offered may have been high risk and there may have been some questionable sales and marketing techniques on EP's part. But that doesn't mean EP was operating a scam. From what I have seen so far, I am not satisfied the evidence available to me indicates a scam has occurred in the circumstances. I have reviewed the documents Mr S has submitted, which includes copies of share certificates. The documents provided to

me do not indicate that EP was orchestrating a scam investment in order to induce payments from investors with no intention to use the funds as intended. I'm also mindful that Mr S was able to withdraw £3,000, it is not typical for a company operating a scam to return funds.

Overall, having carefully considered all the evidence provided to me, I'm not persuaded there is sufficient evidence to conclude that the purpose EP had in mind when taking the payments from Mr S was different to his.

I do appreciate that EP is currently under investigation by the police. I also recognise that this is a complex issue and that there are a number of other enterprise investment schemes that are being looked in to. It is possible that further evidence may become known at a later date, which may indicate EP was operating a scam. Should such evidence come to light, then Mr S can complain to Barclays again, and refer the matter to this office, should he not be happy with the outcome.

I'm sorry to hear of what's happened to Mr S and I have a great deal of sympathy for him. He has lost a significant amount of money and I don't doubt he has been badly let down by EP. But I'm not persuaded this is something that Barclays can fairly be said to be responsible for. And it follows that there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

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 Mr S to accept or reject my decision before 13 August 2025.

Stephen Wise
Ombudsman