

## **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 'G' and it provided investment opportunities in oil and gas projects overseas. Mr H invested £50,000 in G on 19 August 2019 and says he received £1,200 in returns, but no more.

Mr H felt he had been the victim of an investment scam and that G 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 G, 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 assessed the payment to G under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code and having done so, they did not think they had seen enough evidence to be satisfied it met the bar of an authorised push payment ("APP") scam. So, they did not agree Barclays needed to reimburse him in the circumstances.

Mr H's representatives disagreed and said the evidence suggests G may have had fraudulent intent and that their purpose for the payment did not align with Mr H's.

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 payment in question. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he is liable for the transaction. But he says that he has been the victim of an authorised push payment (APP) scam.

Barclays has signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an 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 set out the definition of an APP scam as set out in the CRM Code below:

*...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.*

I've therefore considered whether the payment Mr H made to G falls under the scope of an APP scam as set out above. Having done so, I don't think that it does. I'll explain why in more detail.

In order to determine if Mr H has been the victim of a scam, I have to consider if his intended purpose for the payment was legitimate, whether the intended purposes he and the company he paid were broadly aligned and, if not, whether this was the result of dishonest deception on the part of the company.

I have account statements for Mr H's Barclays account showing the payment debiting, as well as the loan note signed by Mr H that includes the general terms of the loan note. And a brochure that he was provided by the financial advisor. This showed G was offering loan notes with a fixed interest of 12% on returns and it mentions a specific project in oil wells overseas and mentions a number of other locations in which G has acquired wells.

Mr H's representative have said the returns were high and have suggested this shows it was a scam. And they have said the brochures claimed G was registered in the UK when they were not. However, looking at the brochure, I can see they explicitly state they are not regulated by the Financial Conduct Authority or the Financial Services Compensation Scheme, so all funds are invested at the risk of the investor. And while I do accept the returns are relatively high, it is also set out as a high-risk investment where all funds could be lost, and these kind of investments also have high returns attached to them.

Mr H's representatives have said evidence now suggests G may have had fraudulent intent in operating the investment scheme but have provided nothing to substantiate this. It is therefore difficult for me to agree that Mr H's purpose for the payment did not align with G's. With this in mind, I don't think there is enough for me to agree the high bar of an APP scam has been met in the circumstances. I therefore think Barclays acted reasonably when it treated the case as a civil dispute.

It is possible that further evidence may come to light at a later date, which may indicate G was operating a scam. Should such evidence come to light, then Mr H can complain to Barclays again, and refer the matter to this office, should he not be happy with the outcome.

### **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**