

## **The complaint**

Mr P complains that Barclays Bank UK PLC (“Barclays”) won’t refund payments he made as part of a scam.

## **What happened**

Mr P became aware of an investment opportunity in a property development company who were offering loan notes to investors to raise funds for its projects. This company is further referred to as ‘Company A’.

Having reviewed the information, and satisfied with what he’d seen, Mr P made payments totalling £40,000 towards the investment in July 2019.

In September 2024, Mr P raised a formal complaint with Barclays, requesting reimbursement of the funds he paid to Company A on the basis that he’d been the victim of a scam.

Barclays investigated the matter but declined to reimburse Mr P on the basis that this was a civil matter between Mr P and Company A. They further explained that, even if they had intervened at the time, they wouldn’t have uncovered any fraudulent activity being carried out by Company A. Unhappy with this response, Mr P referred his complaint to our service via a professional representative.

An investigator looked into Mr P’s complaint but did not uphold it on the basis that they didn’t believe there was enough information to demonstrate Mr P had fallen victim to a scam.

Mr P and his representative provided a substantial response detailing why they disagreed with the investigator’s findings.

As the complaint couldn’t be resolved by the investigator it has been passed to me for a 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.

Mr P has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr P’s complaint. This is not meant to be a discourtesy to Mr P and I want to assure him I have considered everything he has submitted carefully.

In deciding what’s fair and reasonable in all the circumstances of a complaint, I’m required to take into account relevant: law and regulations; regulators’ rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank such as Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Barclays are a signatory of the Lending Standards Board's Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victims of authorised push payment (APP) scams in all but a limited number of circumstances. The relevant part of the CRM Code definition of an APP scam requires that the payment was made to: *'another person for what they believed were legitimate purposes but which were in fact fraudulent.'*

The Code also explains that it does not apply to *'private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier'*

In order to reach my outcome on this complaint, I've considered the purpose for which Mr P made, and Company A received, the payments. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that Mr P made the payments as part of a property investment. So, I've gone on to consider what purpose Company A had in mind and whether that was in line with the purpose Mr P payments.

In reaching an answer on what purpose Company A had in mind, the key information I've considered is as follows:

- Company A had completed three large property developments prior to Mr P's investment. This shows that Company A were genuinely and legitimately operating for some time prior to the payments in question. The evidence provided by Mr P also shows numerous other properties and developments Company A owned at the time they appeared to have entered financial difficulty. This leads me to believe that Company A were operating legitimately at the time of the payments.
- Many of the allegations made by Mr P relate to Company A not using his funds in line with his intended purpose and that Company A were operating a Ponzi scheme. I've not seen evidence from the administrators of Company A which suggests they were operating a Ponzi scheme. Furthermore, and importantly, the evidence provided by Mr P doesn't sufficiently demonstrate that the payments were used by Company A for reasons other than the agreed purpose.
- Company A may have made some misrepresentations about the investment and failed to disclose the commission rates being paid to introducers, but this doesn't mean their actions meet the CRM Code's definition of an APP scam. Instead, it could be that they were simply exhibiting poor business practices and maintained the intention of paying out on the investments.

Allegations have been made by Mr P that the directors of Company A, and other linked individuals, deliberately set out to defraud investors and unjustly enrich themselves. To date, Mr P hasn't provided evidence to satisfy me that this is the case. I have every sympathy for

Mr P as he has lost a substantial amount of money. But, many businesses and investments fail and enter administration for genuine reasons, and not because they were set up to defraud and scam people. I believe that to be the case in this instance.

Ultimately, Mr P made payments towards a property investment and the evidence presented to our service doesn't sufficiently demonstrate that Company A didn't have the intention of carrying out and completing the investment. Because of this, I'm not satisfied that Mr P's claim meets the CRM Code's definition of an APP scam.

Lastly, I've considered whether Barclays could've done any more at the time of the payments in order to prevent Mr P's loss.

I've not seen evidence to suggest that Barclays intervened and discussed the payments with Mr P prior to releasing them. But, even if Barclays had discussed the payments with Mr P prior to their release, I'm not persuaded that the information he'd have presented would've suggested that he might be at risk of financial harm. This is based on the vast and detailed information available about Company A at the time of the payments. So, I can't fairly say Barclays could've prevented Mr P's loss at the time.

Overall, I'm not persuaded that Mr P has fallen victim to an APP scam, based on the evidence available. Should any material new evidence come to light at a later date, for example from the police or the administrators, Mr P can ask Barclays to reconsider his claim. I've no doubt that this will be extremely disappointing to Mr P, given the impact this situation has had on him, but I'm unable to say that Barclays are liable to reimburse his loss.

### **My final decision**

My final decision is that I do not uphold this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 October 2025.

Billy Wyatt  
**Ombudsman**