

The complaint

Mr K complains that Barclays Bank UK PLC won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In mid-2019, Mr K says he was told about an investment opportunity by his brother and sister, who had both been investing with the company and receiving good returns for a few years. He met with someone from the investment company at his sister's house, who explained the monthly returns he should receive. And Mr K then decided to invest and made a number of payments from his Barclays account to the investment company, as set out below:

Date	Amount
20 June 2019	£5,000
21 June 2019	£5,000
24 June 2019	£5,001

Mr K received the first monthly payment he was told he would. But he then received several payments that were smaller than he was initially told, and then stopped receiving payments altogether. Mr K then reported the payments he had made to Barclays as a scam and asked it to refund the money he had lost.

Barclays investigated but said this appeared to be a genuine investment that had gone wrong, rather than a scam. So it didn't agree to refund the money Mr K had lost. Mr K wasn't satisfied with Barclays' response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the available evidence was sufficient to say Mr K had been the victim of a scam. So they didn't think Barclays should have to refund the money he had lost. Mr K disagreed with our investigator, so the complaint has been passed 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

Barclays is a signatory of the Lending Standards Boards Contingent Reimbursement Model (the CRM code). This requires firms to reimburse customers who have been the victim of

certain types of scams, in all but a limited number of circumstances. But customers are only covered by the code where they have been the victim of a scam – as defined in the code.

The relevant definition of a scam from the CRM code is that the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

The CRM code also says it doesn't apply to private civil disputes, such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

So in order to determine whether Mr K has been the victim of a scam as defined in the CRM code I need to consider whether the purpose he intended for the payments was legitimate, whether the purposes he and the investment company intended were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of the company.

From what I've seen and what he's told us, I'm satisfied Mr K made the payments here with the intention of investing with the investment company. He thought his funds would be invested by the company, and that he would receive interest payments in exchange for his investment. And I haven't seen anything to suggest that Mr K didn't think this was legitimate.

But I'm not satisfied the evidence I've seen shows that the investment company intended a different purpose for the payments, or that Mr K's and the company's purposes for the payment weren't broadly aligned.

Mr K has said he hasn't received the interest payments he was told he would following his investment. But companies can fail to meet the terms of agreements they have made and investments can fail to produce the expected returns for a number of reasons, that don't necessarily mean they have been operating a scam. And Mr K hasn't provided any evidence that specifically relates to the payments he made or what he was supposedly investing in, which shows that the investment company never intended to carry out the investment – rather than that it failed for some other reason.

Mr K has sent us copies of emails he received from the investment company, which he's said confirm there was fraud. But these emails suggest the investment company feels it has been the victim itself, not that the investment company has committed fraud or was operating a scam. And while there is mention of a police investigation, it's not clear what the aim or subject of this investigation is or that it is as a result of any alleged wrongdoing on the part of the investment company.

Mr K was told about the investment by his brother and sister, who he's said had invested successfully and received returns for several years. And I wouldn't expect a company operating a scam to be able to arrange this kind of personal introduction and recommendation. And Mr M received payments back from the investment company, admittedly sporadically and for less than he was told he would, for nearly two years after he invested, which I also wouldn't necessarily expect of a company operating a scam.

I also haven't been provided with any evidence of any investigation by an external organisation which concludes that the investment company was operating a scam or that any charges should be brought against anyone involved with the investment company as a result.

So I'm not persuaded that the available evidence is sufficient to safely conclude that the purpose the investment company intended for these payments was different than the

purpose Mr K intended. And so I don't think the circumstances here meet the definition of a scam, or that Barclays has acted unreasonably in not agreeing to refund the money Mr K lost from these payments as a result.

It's possible that material new evidence may become available at a future date, which suggests that the investment company did take the payments using dishonest deception. If that happens, Mr K can ask Barclays to reconsider his claim for these payments and, if not satisfied with its response, bring a new complaint to our service.

I'm sorry to disappoint Mr K, as I know he has lost a significant amount of money. But I'm not satisfied that I can fairly ask Barclays to refund him based on the evidence that is currently available.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 August 2025.

Alan Millward
Ombudsman