

## The complaint

Mrs H complains that Barclays Bank UK PLC hasn't reimbursed all the money she's lost to a scam.

## What happened

Mrs H has fallen victim to an investment scam.

In late 2022, Mrs H says she was searching for investment opportunities online and came across various fixed rate bonds. Shortly afterwards, she received a call-back from a scammer impersonating an employee of a legitimate company which I'll refer to as 'G'. She agreed to invest and was sent an application form, along with a prospectus. She experienced technical issues when she tried to return the completed application form and her identification documents, but the scammer gave her the account details to send her investment funds to verbally anyway and, on 8 December 2022, Mrs H instructed a £170,000 payment from her Barclays bank account to the account details she'd been given. When Mrs H didn't receive her investment paperwork as expected, she contacted G and it came to light that she'd fallen victim to a scam.

Mrs H has said that the investment opportunity felt genuine to her, and she had no reason to believe that the scammer was up to mischief – he came across as professional, experienced, caring and very informative. She's explained that she is an inexperienced investor, and she didn't know what due diligence she ought to carry out, but she did contact G to confirm that there was an employee with the name the scammer was going by.

Mrs H raised a fraud claim with Barclays on 18 January 2023. Barclays was unable to recover Mrs H's funds from the receiving account, but it reimbursed 50% of her financial loss under the provisions of the Lending Standards Board's Contingent Reimbursement Model ('CRM Code'). It conceded that it didn't hold an effective scam conversation with Mrs H when she instructed the disputed payment, which was out of character. But it said that she should share the responsibility for her loss because she didn't do enough to protect herself from financial harm either.

Mrs H asked this Service to consider instructing Barclays to reimburse her remaining loss. She said that the bank failed to protect her by providing effective warnings and, had it have done so, she would've ensured the investment opportunity was legitimate and it's unlikely she would've proceeded with the disputed payment.

### What did our investigator say?

Our investigator thought that Barclays had applied the CRM Code correctly on this occasion, and the fair and reasonable outcome was for the parties to share responsibility for Mrs H's financial loss equally. He also thought that Barclays had done what it could to recover Mrs H's funds from the receiving account. So, he didn't uphold Mrs H's complaint.

Mrs H asked for an ombudsman's final decision. She said that:

- She isn't technically savvy, and this, along with the social isolation she experiences due to a medical condition, made her vulnerable to the scam.
- The promised investment returns were reasonable.
- She completed checks that were within her technical capabilities and she was able to confirm that the individual she thought she was speaking to worked for G.

### **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.

Barclays signed up to the CRM Code, and it was in force when the disputed payment was made. In summary, the CRM Code says that a customer who was vulnerable when they made an Authorised Push Payment ('APP') scam payment, like the one Mrs H made, should receive a full refund of that payment, regardless of whether the firm knew about the customer's vulnerability before the scam took place. The CRM Code states that:

*A Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered.*

Mrs H has said that she was vulnerable to the scam she fell victim to due to her technical capabilities and social isolation, but she's also said that she attempted to verify the legitimacy of the investment opportunity by contacting G to confirm that the employee she thought she was speaking to worked for the company. So, I'm not persuaded that Mrs H couldn't reasonably be expected to have protected herself from the scam because of her vulnerabilities – by her own admission, she did take some steps to protect herself.

Nevertheless, the CRM Code requires firms to reimburse any customer who has been the victim of an APP scam in all but a limited number of circumstances. Barclays has acknowledged that it didn't provide Mrs H with an effective warning during the payment journey, so it's reimbursed 50% of her financial loss. But it's argued that Mrs H should share responsibility for her loss because she made the disputed payment without a reasonable basis for belief that the payee was the person she was expecting to pay, the payment was for genuine goods or services and/or the person or business she was transacting with was legitimate.

I've thought about what steps Mrs H took to reassure herself about the legitimacy of the investment opportunity, and whether it was reasonable for her to proceed with the disputed payment.

I can understand why Mrs H was unconcerned when the scammer contacted her to discuss an investment opportunity, due to the research she'd been conducting online. She's said that she was offered a reasonable rate of return on the investment, and I appreciate that she was an inexperienced investor at the relevant time, with limited technical capabilities, but she still contacted G to confirm that the employee she thought she was speaking to worked for the company.

However, she invested a significant amount of money without carrying out any substantial checks or seeking independent advice due to her self-confessed limited knowledge and capabilities, and despite what I consider to be clear warning signs that something might be amiss – for example:

- There was a Financial Conduct Authority ('FCA') warning published at the relevant time which explains that individuals are using G's details and claiming to work for the genuine company as part of a scam. The warning goes on to set out what investors can do to protect themselves from financial harm. I appreciate that Mrs H has said she has limited technical capabilities and she didn't know what to do to check the legitimacy of the investment opportunity, but a simple internet search on G and scams returns the FCA warning I've referred to, and I must conclude that Mrs H was able to carry out an internet search given that she fell victim to the scam after researching investment opportunities online. I consider it reasonable to expect Mrs H to have carried out an internet search to try and ensure she wasn't being scammed as a minimum, especially given her apparent reservations (she called G to check she was speaking to a genuine employee).
- Mrs H has said that she was unable to return her application form or identification documents as requested, but the investment was apparently able to go ahead anyway.
- Mrs H was asked to pay her investment funds into an account held in the name of a different company to G. She's said that she didn't think to question this, but I find that unreasonable. I think Mrs H, or any other investor, ought to have had concerns about being asked to pay funds to an unrelated company. Again, a simple internet search of the company Mrs H was asked to pay shows that it is involved in the construction of domestic buildings. If Mrs H had found this information, I think it's reasonable to expect her to have carried out further checks before proceeding.

Mrs H has said that she had no reason to believe the scammer was up to mischief, but I am not persuaded this was a reasonable basis for belief given the aspects that I think ought to have prompted concern and, overall, I'm not persuaded that Mrs H had a reasonable basis for belief on this occasion. I think it's reasonable to expect Mrs H to have taken further steps to establish the legitimacy of the investment opportunity given the 'red flags' I've highlighted, before handing over large sums of money.

It's not in dispute that Barclays failed to adequately protect Mrs H as she's alleged. Barclays has said that it failed to provide Mrs H with an effective warning, and that failure is likely to have had a 'material impact' on preventing the scam. But I'm persuaded that Mrs H also lacked a reasonable basis for belief. So, she should be reimbursed 50% of her financial loss under the provisions of the CRM Code.

I am very sorry to hear that Mrs H has fallen victim to such a cruel and callous scam. I have a great deal of sympathy for her. But the principal cause of her loss was the fraudster who deceived her. And Barclays has reimbursed the percentage of her financial loss that I would reasonably expect it to refund. So, I will not be instructing the bank to reimburse any further funds due to any obligation under the CRM Code.

I'm satisfied that the compensation Barclays has paid Mrs H for the additional trouble and upset it has caused her in the way it handled her fraud claim is fair and reasonable, and in line with the level of awards this Service recommends.

Finally, I've thought about whether Barclays did enough to try and recover Mrs H's funds when she raised a fraud claim in January 2023, and I've seen that it took reasonable steps, as I'd expect.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 23 July 2025.

Kyley Hanson  
**Ombudsman**