

The complaint

A company, which I'll refer to as D, complains that Barclays Bank UL PLC won't reimburse it after it sent funds to an investment scam.

Ms M, who is the director of D, brings the complaint on D's behalf via a professional representative. For ease of reading, I'll refer to all submissions as being made by Ms M directly throughout this decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But briefly, both parties accept that in early 2018, Ms M found an investment firm online she was interested in using and made contact with the firm. Ms M was introduced to an agent of the firm who I'll refer to as Mr W.

Mr W provided Ms M with a number of investment offers to consider. She's explained that for each, she checked the firm online, including reviewing them on Companies House and reading detailed brochures provided. She made the following payments (and received the following credits) as a result:

Date	Payee	Value
20/02/2018	Payee One	£7,000
29/03/2018	Payee Two	£10,000
02/05/2018	Payee Three	£7,500
03/05/2018	Payee Three	£3,000
10/05/2018	Payee Three	£2,000
10/05/2018	Payee Three	£7,500
08/06/2018	Payee Four	£2,500
08/06/2018	Payee Four	£7,500
02/07/2018	Payee Three	+£200
16/07/2018	Payee One	£10,000
31/07/2018	Payee Three	+£200
30/08/2018	Payee Three	+£200
11/09/2018	Payee Five	£2,500
11/09/2018	Payee Five	£7,500
13/09/2018	Payee Five	£5,000
14/09/2018	Payee One	+£277.55
30/11/2018	Payee Three	+£600
14/12/2018	Payee One	+£124.27
28/02/2019	Payee Three	+£600
17/04/2019	Payee One	+£122.89
30/05/2019	Payee Three	+£600
30/08/2019	Payee Three	+£600

Further payments were also made towards investments but have been covered under a separate complaint previously.

When Ms M's returns failed to materialise as expected, Ms M began to think she had fallen victim to a scam. Additionally in March 2020, Ms M was contacted by her investment firm, advising that Mr W was purporting to still work for them and selling investments not endorsed by the firm. He has since been imprisoned.

Ms M raised a claim with Barclays, but Barclays didn't consider it had sufficient information from Ms M to consider the complaint fully. Ms M remained unhappy and referred her complaint to our service. An investigator considered the complaint but didn't uphold it. She didn't think the payments were so unusual that Barclays ought to have intervened, prior to processing them. However, she determined that even if Barclays had intervened, it wouldn't have identified that Ms M was falling victim to a scam, based on her appearing to have made payments to genuine firms, on the guidance of an advisor.

Ms M disagreed with the investigator's view. She said Barclays ought to have intervened and should have been aware of Mr W, based on investigations taking place about him.

As Ms M remained unhappy, the complaint has been referred 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.

When considering what is fair and reasonable, I'm also 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 relevant time.

In broad terms, the starting position in 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 Board's Contingent Reimbursement Model (the CRM Code). This requires firms to reimburse customers who have been the victims of certain types of scams, in all but a limited number of circumstances. But the CRM Code only came into force from May 2019, so the payments above made by Ms M pre-date the increased protection it offered. I've therefore thought about whether Barclays should be held liable for Ms M's losses for any other reason.

Before determining that Barclays can be held liable for any payments made by Ms M, I'd first need to be satisfied that the payments made were more than likely a scam, rather than a failed investment. It's clear from the evidence that at some point, Mr W's actions became fraudulent. However, Mr W did also at some point work for the investment firm that Ms M used.

From the evidence available, it appears that in around June 2018, Mr W began corresponding with Ms M from an email address not associated with the investment firm and Ms M began providing his name as a reference on new investments made from this point onwards. I therefore think it's likely that at least from this point, Mr W was providing

investment opportunities to Ms M on the guise of being endorsed by an investment firm when this may no longer have been the case. This would also tie in with Ms M having received no returns from payees four or five.

However, for payments made before this date, I don't think the evidence currently available clearly demonstrates that payments made were being used in a manner that differs to what Ms M believed – that is, that they were being invested in high yielding, but also high risk, unregulated investments – and that these investments subsequently failed.

Either way, I've thought about what Barclays could have uncovered, had it have contacted Ms M regarding payments she was making towards the investment. While I agree with the investigator that it's questionable whether Barclays should've intervened, based on larger payments having been made previously from Ms M's account, I've also taken into account that the majority of these payments were made either to an established payee, or to known firms by card. Therefore, payments to new payees of these values were somewhat unusual for the account. However, even if Barclays had intervened on any of the earlier payments to new payees I don't think it's reasonable to determine that Barclays would have identified concerns here. Ms M had found the investment firm she used from a self-driven online search, rather than typical cold calling seen in scams. While the company was relatively new when Ms M began using their services, there was nothing untoward I can see online that Barclays could have identified from researching the firm (or the investments Ms M was making payments to) – all were Companies House registered, with no untoward information online about them, and the investment firm is still active now.

Ms M has suggested that Barclays ought to have identified that Mr W was illegitimate in any interventions it had with her, but I disagree on this point. I think its disproportionate for Barclays to have questioned Ms M on the advisor specifically, as Ms M was speaking to a registered firm, but even if it had, I've not seen anything to suggest that there was any publicly available information regarding Mr W at the time Barclays could realistically have intervened.

To conclude, while I think it's most likely that, at some point, Mr W's intentions became fraudulent, I don't think this would have been evident in 2018, so even if Barclays *had* intervened, I don't think it could fairly have uncovered that Ms M was at risk of financial harm from fraud.

Therefore while I'm sorry to disappoint Ms M, I don't consider Barclays can be held liable for her losses incurred.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 2 September 2025.

Kirsty Upton
Ombudsman