

The complaint

Mr D complains that Barclays Bank UK PLC ('Barclays'), won't refund the money he lost as a result of what he believes was an 'Authorised Push Payment' ('APP') property investment scam.

Mr D brings his complaint with the assistance of a professional representative. For ease of reading within this final decision, I will refer solely to Mr D in the main.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

Mr D says that he was persuaded to invest with a company that I'll refer to as 'Company H' within my decision. Company H was a private rental development company which offered loan notes to investors to raise money for its projects. It was the parent company of a group of companies. Mr D says that the sale and rent of Company H's assets would later generate company income which would be used to pay investors' returns/interest and capital.

Mr D invested with Company H in June 2019, with Mr D making a faster payment of £10,000 to Company H from his account held with Barclays.

Company H has gone into administration. Mr D believes the investment wasn't genuine and that he is the victim of a scam. He complained to Barclays in September 2024 advising it should reimburse him under the Lending Standards Board's Contingent Reimbursement Model ('CRM') Code.

Mr D received a response from Barclays acknowledging receipt of the correspondence – but advising that a scam claim hadn't been raised with its Fraud Department. As a result, Mr D brought his complaint to this service in February 2025. Through his representative, he provided detailed evidence that he considered supported his contention that he was the victim of a scam by Company H and that he should be reimbursed under the provisions of the CRM Code.

Barclays, in its submissions to this service, advised that it didn't consider the complaint should be upheld as it deemed the matter to be a civil dispute. It explained Company H was an established company that went into administration.

The Investigator who considered this complaint didn't recommend that it be upheld. He said there was insufficient evidence to conclude that Company H didn't intend to provide the agreed investment or make the returns it set out – meaning he didn't consider there was sufficient evidence to conclude that the definition of an APP scam had been met. So, he didn't consider he could fairly and reasonably ask Barclays to reimburse Mr D under the provisions of the CRM Code.

Mr D disagreed and maintained that his complaint should be upheld under the CRM Code and that Barclays also failed to comply with PAS 17271:2017 (the PAS Code). And he has also explained why he thinks Company H was operating a scam and a Ponzi scheme. In particular, Mr D has referred to high commissions of as much as 35% paid to introducers and to high interest rates offered as guaranteed returns. And he says Administrators for Company H haven't offered any conclusions on the inter group transactions that are being investigated and certainly haven't concluded there was nothing irregular going on.

As Mr D didn't accept the Investigator's opinion, 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.

In deciding what's fair and reasonable, I'm 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 time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Mr D's representative has made detailed submissions in support of his complaint. I would like to assure Mr D and his representative that I've read and considered everything that has been sent in. However, I don't intend to respond in similar detail. I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here – which is whether the matter is a civil dispute, and therefore whether Barclays is liable to reimburse Mr D under the provisions of the CRM Code. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, in some situations, taking into account the law, regulations, guidance, standards, codes, and industry practice I have referred to above, (including the PAS Code), businesses such as Barclays shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Where the consumer 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 consumer even though they authorised the payment.

Of particular relevance to the question of what is fair and reasonable in this case is the CRM Code, which Barclays was signed up to and in force at the time Mr D made payment toward the investment with Company H. As Mr D's representative argue he was scammed by Company H, I've considered whether the CRM Code applies and if Mr D is due any reimbursement as a result.

The CRM Code didn't apply to all APP payments which ultimately resulted in a loss for the customer. It only covered situations where the payment met its definition of an APP scam. The relevant definition for this case would be that Mr D transferred funds to another person for what they believed was a legitimate purpose, but which was in fact fraudulent.

I've considered the evidence available, but I can't fairly conclude that Mr D has been the victim of a scam in line with this required definition. This means the CRM Code doesn't apply to his payment and so Barclays isn't required to reimburse him under it.

Our Investigator covered in detail why they considered the payment purpose Mr D had in mind matched the purpose in which the recipient (Company H) had. I'm in agreement with them that this was the case, I'll explain why.

It's accepted Mr D's purpose for making the payment was to invest in Company H and for the funds to be used towards property development. And that he was persuaded at the time, through the paperwork, this was a legitimate venture. I accept that Company H failed to deliver what was expected from the investment, but I haven't seen convincing evidence this was always what it intended; or that at the time of the payment, it planned to use Mr D's funds in a different way to what was agreed. I haven't seen persuasive evidence that Company H's intention was to defraud Mr D when it took his funds.

The key information to this case is:

- Company H completed three different development projects. Company H also worked on other developments which it then sold to developers when it experienced financial difficulties. The completion of three development projects is strongly indicative of a legitimate business carrying out the activities I would expect of it.

I'm also not persuaded Company H completed these developments to draw in investors. No persuasive evidence has been put forward to make me believe this is the more likely scenario.

- Points raised by Mr D's representative are largely based on assumptions and indicate poor business and financial management but don't go far enough to bring his claim within the scope of the CRM Code. Whilst Company H may have, for example, misrepresented certain information, failed to cooperate with administrators, not filed accounts and paid high commissions to introducers, there is currently a lack of evidence to say this was done with the intention of scamming investors. A lot of adverse inferences have been drawn here.
- I've not seen anything from the administrators of the company to suggest the company was operating a scam or that the transactions carried out by the company and connected companies were done with any intention other than putting investors' funds towards development projects. Whilst transactions have been investigated, there is currently a lack of evidence to show that funds weren't used for the intended purpose.

- I also haven't been provided with evidence following an investigation by any other external organisation which concludes that Company H intended to use Mr D's funds for a different purpose.

Mr D's representative has provided a significant amount of additional paperwork from several sources that it says evidence Company H was operating a scam. But as our service has explained to it on a number of cases already, while the information provided does indicate there may have been some poor business practices and/or financial mismanagement in some areas of Company H, this isn't enough to say it was operating a scam. We haven't seen evidence that Mr D's funds weren't used for the intended purpose or that Company H took them with fraudulent intent.

Ultimately, the information we currently hold suggests that Company H was a failed investment venture, not a scam. The information provided doesn't evidence Company H had fraudulent intent when it took Mr D's funds, as required under the definitions within the CRM Code. So, I can't agree Barclays was wrong to consider Mr D's situation was ultimately a civil matter.

This also means I'm unable to ask Barclays to reimburse Mr D on the basis that as he was an inexperienced investor he should be considered as 'vulnerable' at the time the payment was made, as his representative has alleged. When the CRM Code applies, a customer can be reimbursed if they are vulnerable even when an exception to reimbursement applies. But as that's not the case here, and the CRM Code doesn't apply, I won't be asking Barclays to reimburse Mr D.

If material new evidence comes to light at a later date, Mr D can ask Barclays to reconsider his fraud claim under the CRM Code.

I've gone on to think about whether Barclays should be held responsible for Mr D's loss for any other reason.

Taking into account the law, regulations, guidance, standards, codes, and industry practice I have referred to above, (including the PAS Code), Barclays should have been on the lookout for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And, in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

With the payment Mr D made, I'm not persuaded that Barclays would have had any concerns. Company H was a legitimate company operating at the time the payment was made and was paying returns to other investors. Detailed documentation was provided and there was nothing in the public domain at the time to suggest Barclays should have been concerned that Mr D might be falling victim to a scam. Many of the points / concerns about some aspects of Company H that have been raised, have come to light after detailed analysis years after Mr D made the payment.

I'm sorry to disappoint Mr D, as I know he has lost a significant amount of money and believes very strongly that Company H was, in fact, an APP scam. But I'm not satisfied that I can fairly ask Barclays to refund him under the provisions of the CRM Code based on the evidence that is currently available. And I'm not satisfied Barclays would have been on notice that Mr D was potentially at risk of financial harm from fraud at the time he made the payment – so therefore it couldn't have prevented his loss either. Overall, I don't consider Mr D's loss is the result of any failings by Barclays.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 December 2025.

Matthew Horner
Ombudsman