

The complaint

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

What happened

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

In April 2023, a colleague of Mr B (further referred to as “K”) made him aware of an investment opportunity in their relative’s cosmetic beauty company (further referred to as “Company A”). Satisfied with the information he’d seen, Mr B decided to invest in Company A.

Mr B made payments amounting to £11,000 from his Barclays account in May 2023 towards the investment. In total, Mr B made payments totalling £25,000 between April and May 2023 from various accounts towards the investment. Mr B also received returns totalling £6,400.

Mr B was unable to get in touch with K and was made aware they’d left the country. Fearing he’d fallen victim to a scam, Mr B contacted Barclays and asked them to reimburse his losses.

Barclays investigated the matter but declined to provide a refund to Mr B on the basis that this was a civil dispute between him and K. Unhappy with this response, Mr B referred his complaint to our service.

An investigator looked into Mr B’s complaint but didn’t uphold it. The investigator said that they didn’t think there was sufficient evidence to demonstrate Mr B had fallen victim to an authorised push payment (APP) scam under the Contingent Reimbursement Model Code (CRM) Code and Barclays weren’t liable to refund him.

Mr B disagreed with the investigator’s findings and asked for an ombudsman to review the complaint.

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.

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 B’s complaint. This is not meant to be a discourtesy to Mr B and I want to assure him I have considered everything he’s 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.

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.

Here it's not in dispute that the payments were authorised, so the starting position is that Barclays isn't liable for the transactions.

Barclays are a signatory of the CRM Code which requires firms to reimburse customers who have been the victims of 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 decision on this complaint, I've considered the purpose for which Mr B made, and K 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.

Mr B claims to have made the payments to K in order for an investment in Company A. So, I've gone on to consider what purpose K had in mind and whether that was in line with the purpose Mr B made the payments.

Mr B has explained that the investment was in a company which would sell beauty products. But, our service has been provided with little detail relating to the company or the investment, making it difficult for me to determine that the investment or company were not legitimate.

Mr B has provided messages between himself and K. These messages appear to show a genuine relationship between the parties, with conversations beginning a number of months prior to the alleged scam investment which reference a variety of things, including accountants and work. However, though the messages do reference the investment, there's little detail as to the investment itself and how it operates, other than the amounts Mr B planned to invest and the potential returns. Later, the messages also indicate that K is attempting to recover the funds from the investment but is having difficulty doing so.

I've also reviewed the account statements of the beneficiary account to which Mr B made the payments. These account statements do not clearly show that Mr B's funds weren't used for the reason the payments were made.

I accept that Mr B says that K has deceived him and that the investment wasn't genuine but, again, this is difficult to determine based on the information we have regarding the investment, the messages between the parties and the beneficiary bank statements.

I appreciate that it is difficult in these circumstances for Mr B to demonstrate that K hasn't used the funds in the agreed manner. But, in order for the payments to meet the CRM Code's definition of an APP scam, I'd need to be satisfied that K's intention was never to use the funds in the agreed manner and that they have dishonestly deceived Mr B. Based on the information available, I'm unable to make such a finding.

As referenced earlier in my decision, Barclays has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. That said, Barclays has no obligation to protect its customers from bad bargains or poor investment choices.

As I don't believe Mr B is the victim of an APP scam, and that this is a civil matter between Mr B and K, I'm satisfied that Barclays haven't failed any of their obligations by not discussing the possibility of these payments being made as part of a scam with Mr B prior to them debiting his account.

Overall, while I understand how disappointed Mr B must be considering he has incurred a loss as a result of payments to someone he thought he could trust, I can't say that the payments meet the definition of an APP scam under the CRM Code. As that's the case, I can't say that Barclays has acted incorrectly in declining his complaint or that they should reimburse his loss. Should any material new evidence come to light at a later date that would suggest that Mr B was the victim of a scam then I would suggest he contacts Barclays to make them aware of any new evidence.

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 B to accept or reject my decision before 27 October 2025.

Billy Wyatt
Ombudsman